

Cognizance of Online banking adoption: Repercussions

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Abstract

The present study explains about the consciousness on online banking adoption. Digitalization is all regarding online banking operations in which the users can sit at home and operate. Presently government is trying to step forward for a cashless economy. A campaign was launched for encouraging public to avoid using of liquid cash. From last few years public started operating through online banking for their needs. There are both advantages as well as disadvantages in online banking. The study discusses equally advantages along with disadvantages of digitalization in banking sector. The study monitored the demographic factors like Age, Gender, Education, Occupation, Period of using online banking, Type of account, and Type of bank etc, the effect of selected factors on Online banking espousal. At the end, the suggestions are made based on the measures for recognition of online banking services. Primary data was from 145 respondents based on convenience random sampling technique for the study. Opinions were gathered considering the usage and non usage of online banking services. Considering the evaluation, findings and suggestions were explained in the study. The objectives of research, hypothesis formulated, Scope of the study, Tools considered, Data analysis and references are discussed in the study.

Key Words: Banking sector, Digitalization, Online banking, Advantages, Drawbacks.

JEL Classification: D8, D83, L82, L86, Q55, Z33,

INTRODUCTION

Digitalization plays a major role in banking sector in providing efficient services to the customers very quickly which is also called as online banking. Now a day's people don't have much time to stand in queue for any transaction to be done. They can sit at home, with the help of a smart phone they can operate anything and anywhere.

Online banking system refers to all the banking operations are prepared with the assistance of internet. A digital economy can be explained as an economy depending on digital/online transactions in which all the monetary undertakings are done digitally/online and on credit base. Digital transactions refers to using of debit cards, credit cards, e- wallets, internet banking for purchases or for making payments instead of using hard cash. Encouragement was given to make use of online/digital payments, going cashless etc.

This step has received both appreciation and disparagement by Indians. Indians faced many problems during that situation. The aim of the government is to step ahead towards a digital economy. Online transaction means usage of Debit cards, Credit cards, Electronic-wallets, Internet Banking for the purchases as well as payments in place of hard money.

Review of literature:

Ying Wu et al, 2010 Author conducted an examination on 194 customers who are using online banking in Taiwan moreover author described with the aim of clients using Internet Banking instead of additional banking techniques designed for the advantages that was being serving. Dissimilarity, Octovian and Daniela, 2006 explained that Romanian clients don't take up Internet Banking options as these people don't comprise details regarding Internet Banking. In an equivalent Octovian and Daniela, 2006 and Omar et al, 2011 established with the intention of the greater part of the clients do not know about Internet Banking options as well as the patrons worry more on safekeeping, protection moreover they don't have faith on Internet Banking options. Murillo et al, 2010 explained on reasons for the implementation of online banking options amongst banks of US. In distinction among the prevailing studies, the panel data of commercial banks has been used for the study. Authors showed that bank-specific uniqueness is significant reasons of banks' acceptance determination; acts as a rivalry. Okumuş et al, 2010 elucidated with the purpose of banks comprise of three unlike customer groups found based on their point of view towards Internet Banking that are termed as the Internet Banking users, and distant to the online Banking clients. The clients in every set comprise diverse demographic distinctiveness. In addition, authors rose to facilitate clients' attitudes possibly will change in the areas where internet banking is used.

The research gap identified is that only a few researchers showed an impact of demographic factors on Customer Knowledge towards online banking options along with the significant association of online banking channel selected and consumer satisfaction. The present study covers this gap.

After evaluating diverse research papers and few articles, in addition to the above mentioned, the subsequent imperative remarks with regard to digitalization in banking sector can be made:

Research Objectives:

1. To evaluate the impact of demographic factors on customer knowledge with regard to online banking services.
2. To explore the significant association of online banking channel selected and consumer satisfaction.
3. To propose actions for implementation and enhancement of online banking services.

RESEARCH METHODOLOGY:

With the **Statement of the Problem** Demonetization in 2016 people started using online banking services, but after the covid-19 from 2019 the cash transactions in banks have decreased gradually. Presently, there are many reasons for the adoption of online banking services. Demonetization is one big reason for it and presently covid-19 is another reason. Cash transactions have completely decreased. Customers stopped visiting banks. To overcome this situation banks started motivating online banking services by guiding the users. Therefore this study was approved out to observe the awareness of online banking adoption and their advantages and limitations.

Research Design:

A descriptive research plan with an examination using convenience random sampling process has been used for collecting the facts. The study analyzed the awareness of online banking options and the impact of demographic factors on consumer knowledge towards online banking services. This adoption of the online banking options to users has reduced the physical cash transactions.

Sample Size:

Considering primary plus secondary sources of data the study was started. Primary data was from various categories of workers. The sample size considered for the study is 145. The study used convenience random sampling method. A structured questionnaire with 5 point Likert scale was used for data assortment. The respondent’s opinions with the survey method by means of a convenience sample of 145 online banking users in India were gathered to assess postulate affiliation.

Secondary sources of data were through websites, annual reports, articles, journals, etc.

Statistical Tools:

Few tools like Linear Regressions, ANOVA, Chi-Square test, and Percentage method etc. were used to analyze the collected data by to determine the awareness and impact of online banking adoption with SPSS.

Research Hypothesis

1. H01: There is no significant impact of demographic factors on consumer knowledge towards online banking services.
2. H02: There is no significant association of online banking channel selected and consumer satisfaction

Results and Discussions

Table I: Table representing the demographic factors

Demographic factors	Objects	No. of Answerers	Valid Percentage
Gender	Male	63	57
	Female	82	43
	Total	145	100
Age	18 years- 25 years	19	13
	26 years- 30 years	46	32
	31 years- 40 years	49	34
	41 years- 50 years	27	18
	51 years- 60 years	4	3
	60 years and Above	0	0

	Total	145	100
Educational qualification	Post graduate	31	21
	Under graduate	41	28
	Secondary education	35	24
	Primary education	18	13
	Others	20	14
	Total	145	100
Profession	Government employee	31	21
	Private employee	41	28
	Student	35	24
	Self employed	18	13
	Home maker	20	14
	Total	145	100
Period of using online banking	> 1 year	19	13
	1 year- 2 years	46	32
	2 years- 3 years	49	34
	3 years- 4 years	27	18
	< 4 years	4	3
	Total	145	100
Type of Account	Savings A/c	96	66
	Current A/c	49	34
	Total	145	100
Type of Bank	Public	97	67
	Private	48	33
	Total	145	100

(Source: calculated from primary data)

Interpretation:

Based on Table 1, Male respondents are 57% and Female respondents 43%. Female respondents are more when compared with Male respondents. Respondents between the age group of 31-40 years 34% and 26-30 years 32%. A good number of the respondents have done their under graduation 28%. Most of the employees are Private employees. And very few are home makers and students. 66% of the clients have savings bank account and 67% of the respondents opened their account in Public sector banks. 34% respondents are using online banking services from 2 years- 3 years and 32% from 1-2 years.

Table II: Tabular representation of impact of Gender on Customer Knowledge towards online banking services

Model Summary

Model		Sum of Squares	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					Square Change	F1	F2	Sig. F Change	
1	10 ^a	.12	.05	.1209	.12	.761		.43	.87

Predictors: (Constant), Gender

ANOVA^a

Model	Sum of Squares	df	Mean Square	Sig.
Regression	.160	1	.160	.761
Residual	3.575	43	.083	.87 ^b
Total	4.234	44		

Dependent Variable: Consumer knowledge

Predictors: (Constant), Gender

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.77	.168		16.397	.000
Gender	-.036	.030	-.10	-1.227	.287

a. Dependent Variable: Consumer knowledge

Interpretation: Regression is a trustworthy method of selecting which variables show impact. The process of evaluating a regression helps you to boldly decide which factors suits most, which factors can be overlooked, and the way these factors influence each other

Here, in this analysis the p-values are higher than 0.05. This represents that there is no considerable impact of Gender on Consumer knowledge towards online banking services. For that reason we consider the null hypothesis and refuse the alternate hypothesis. These days without the differences in Gender people are using Online banking services.

Table III: Tabular representation of Impact of Age on Consumer knowledge towards online banking services

Model		Sum of Squares	Adjusted R Square	Std. Error of the Estimate	Change Statistics
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		Square	Adjusted R Square	Mean Square	F	Sig.	Change in R Square	F Change	Sig. F Change
	67 ^a	28	.21	10717	28	.115		43	.44

Predictors: (Constant), Age

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2517	1	2517	28	.115 ^b
Residual	12.717	43	.296		
Total	14.234	44			

Dependent Variable: Consumer knowledge

Predictors: (Constant), Age

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
	(Constant)	759	42		18.353	.000
	Age	101	50	.167	2.029	.44

Dependent Variable: Consumer knowledge

Interpretation: Here, in this analysis the p-values are less than 0.05. This represents that there is considerable impact of Age on Consumer knowledge towards online banking services. Therefore we can acknowledge the alternative hypothesis and eliminate the null hypothesis.

Table IV: Tabular representation of Impact of Education on Consumer knowledge towards online banking services

Model Summary

Model		Square	Adjusted R Square	Mean Square	Change Statistics				
					F	Sig.	Change in R Square	F Change	Sig. F Change
	99 ^a	10	.03	1282	10	.416		43	.36

Predictors: (Constant), Education

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	32	1	32	10	.36 ^b
Residual	13.703	43	.319		
Total	14.234	44			

Dependent Variable: Consumer knowledge

Predictors: (Constant), Education

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	633	31		5.327	.00
Education	071	60	.099	.190	.36

Dependent Variable: Consumer knowledge

Interpretation: Here, in this analysis the p-values are higher than 0.05. This represents that there is no considerable impact of Education on Consumer knowledge towards online banking services. Accept null hypothesis and reject alternate hypothesis. These days without the differences in Education people are using Online banking services.

Table V: Tabular representation of Impact of Profession on Consumer knowledge towards online banking services

Model	R	Square	Adjusted Square	Std. Error of the Estimate	Change Statistics				
					Square Change	df1	df2	Sig. F Change	
1	.86 ^a	.07	.01	.1354	.07	.074		43	.02

Predictors: (Constant), Occupation

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.04	1	.04	7.665	.02 ^b
Residual	3.830	43	.09		
Total	4.234	44			

Dependent Variable: Consumer knowledge

Predictors: (Constant), Occupation

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	381	.16		7.665	.00
Occupation	40	.39	.086	.1036	.02

Dependent Variable: Consumer knowledge

Interpretation: Here, in this analysis the p-values are higher than 0.05. This represents that there is no considerable impact of Profession on Consumer knowledge towards online banking services. Accept null hypothesis and reject alternate hypothesis.

hypothesis and reject alternate hypothesis. These days without the differences in Profession people are using Online banking services.

Table VI: Tabular representation of Impact of Period of using online banking services on Consumer knowledge towards online banking services

Model	Sum of Squares	Adjusted Sum of Squares	R-squared	Std. Error of the Estimate	Change Statistics				
					Square Change	F1	F2	g. F Change	
1	67 ^a	28	.21	.0717	28	115		43	44

Predictors: (Constant), Period of using online banking

ANOVA^a

Model	Sum of Squares	F	Mean Square	Sig.
Regression	67.517	115	67.517	.44 ^b
Residual	227.717	43	5.296	
Total	344.234	44		

Dependent Variable: Consumer knowledge

Predictors: (Constant), Period of using online banking

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	275.759	142.42		.000
1	Period of using online banking	1.101	.050	.167	.029

Dependent Variable: Consumer knowledge

Interpretation: Here, in this analysis the p-values are less than 0.05. This represents that there is considerable influence of Period of using online banking on Consumer knowledge towards online banking services. Therefore, we can acknowledge the alternative hypothesis and eliminate the null hypothesis.

Table VII: Tabular representation of Impact of demographic factors on online banking services in consolidated form.

Factors	Impact
Gender	Has Impact
Age	No Impact
Education	Has Impact
Occupation	Has Impact
Period of using banking	No Impact

Interpretation: The consolidated table represents that Gender, Education; Occupation has an impact on Consumer knowledge towards online banking services. But Age, Period of using online banking has no impact on Consumer knowledge towards online banking services.

Table VIII: Tabular representation of association of online banking channels selected and consumer satisfaction

2 Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.022 ^a	4	.000
Likelihood Ratio	39.423	4	.000
Near-by-Linear Association	6.738		.000
Total of Valid Cases	45		

Symmetric Measures

	Value	Asymp. Sig.
Nominal by Nominal Chi-Square	.276	.000
Cramer's V	.37	.000
Total of Valid Cases	45	

Interpretation: For testing χ^2 , the value of p should be less than or equal to the impact level specifies that there is adequate facts to terminate that the practical allocation is not matching with the estimated distribution. Therefore we can conclude that a connection exists among the variables. Low Chi-square value indicates high correlation between variables. Since the p values are 0.000 which are below 0.05, this specifies that the selected null hypothesis can be rejected at 5% level of implication; therefore the variables are strongly associated. There is a significance association of online banking channels selected and consumer satisfaction.

The banking channels preferred for the examination are Internet banking, Automatic Teller Machine, Mobile banking and E-Wallet. These channels have a high association with consumer satisfaction.

Table IX: Tabular representation of implementation of online banking services

Implementation of online banking services	No. of respondents	Percentage
Checking account balance	32	72
Checking recent transaction	21	47
Downloading bank statement	13	29

Arrange cheque book	11	8
Check the picture of paid cheque	18	12
Fund transfer	22	15
Usefulness of bill payment	18	12
Process pay bill	10	8
Total	145	100

(Source: calculated from primary data)

Consumers seemed to use regularly the necessary services like checking account balance and Fund transfer. Checking recent transaction, view image of paid cheque and usefulness of bill payment is followed. These services were preferred by many respondents, there are many other services which are prevailing in banking system.

Table X: Tabular representation of Sources of knowledge on online banking

Sources of Knowledge on Online banking	No: of Answerers	Percentage
Bank employees	47	32
TV advertisements	24	17
Friends	29	20
Family	5	3
Print media advertisements	14	10
Online	19	13
Others	7	5
Total	145	100

(Source: calculated from primary data)

Table X represented that consumer's basis for the knowledge on online banking. The sources strongly followed by respondents are Bank officials, friends followed by TV advertisements.

Table XI: Tabular representation of reasons for using online banking facilities

(Source: calculated from primary data)

No:	Reasons for opting online banking services	No. of answerers	Percentage
	Online banking services are usually quicker than usual banking facilities.	5	4
	Online banking facilities are available round the clock.	4	7
	High level of expediency	2	5
	Online banking channels are simple to utilize	5	7
	Online banking facilities are inexpensive	1	5
	Online Banking facilities are a class symbol	3	2
	Total	45	100

Table XI represents the main reasons for opting online banking facilities. The foremost precedence was specified to online banking facilities are usually quicker than usual banking facilities; the subsequent precedence was agreed to online banking channels are simple to utilize followed by Online banking facilities are available round the clock and High degree of expediency.

Table XII: Tabular representation of Causes for not utilizing online banking services

No:	Causes for not utilizing online banking services	No. of answerers	Percentage
	Security troubles discourages from online banking	5	7
	Absence of knowledge on online banking facilities	4	7
	Lack of confidentiality for client related data	3	3
	Customers mostly are interested in using usual banking	7	9
	Banks supply only some online banking facilities	3	9
	Banks charge more amount for using online banking	2	5
	Total	45	100

(Source: calculated from primary data)

Table XII explains the causes for not using online banking. Almost 19% of the respondents agreed that Customers mostly are interested in using usual banking and Banks supply only some online banking facilities. Further 17% respondents agreed that Security troubles discourages from online Banking and

Absence of knowledge on online banking facilities. These reasons for why users are not opting for online banking services.

Table XIII: Tabular representation of Internet usage

No:	Internet usage	No. of responses	Percentage
	Interested in using modern technology	2	9
	Recognize technology without others help	7	5
	Am sure in using internet	2	2
	Am able to use internet easily	4	3
	Total	45	100

(Source: calculated from primary data)

Table XIII indicates an excellent usage level of Internet among the clients and is subjective to the requirement of modern technology. Respondents are able to recognize technology without the help of others. Respondents are sure in using internet.

Table XIV: Tabular representation of overall satisfaction on online banking

No:	Satisfaction	Number of Answerers	Percentage
	Strongly satisfied	3	5
	Satisfied	3	10
	Neutral	1	4
	Dissatisfied	3	10
	Total	45	100

(Source: calculated from primary data)

Table XIV specifies that almost 50% of the total populations are satisfied with online banking. The analysis explains that there is a growing implementation of online banking in the most recent few years. The bank employees or the bank guidelines are the foremost source of knowledge of online banking characteristics among the clients. Protection and requirement of knowledge or using of the online banking characteristics appear to be motivating the users. Respondents these days prefer more towards ATM and branch banking than mobile and home banking services. Rapidity, interest of use and anytime contact ability are the foremost opinions for implementation of online banking despite the fact that branch banking is at a standstill the chosen mode of banking channel used. A complete satisfaction is pragmatic amongst clients for online banking.

FINDINGS:

1. With the online banking there was positive effect on banking services.

2. We have got various services in online banking. The services which are being rendered by the banking sector started increasing like ATM's, NEFT, RTGS, DD's etc. The time taken to serve a customer has also been decreased.
3. There are several drawbacks for online banking. There is a possibility of hacking of the systems or the software, which results in great damage to the customers and even banks.
4. There are advantages as well as disadvantages which are being faced by banking Sector due to digitalization. This affects both customers and banks. There is a chance of fraud.
5. The analysis represents that Gender, Education; Occupation has an impact on Consumer knowledge towards online banking services. But Age and Period of using online banking has no impact on Consumer knowledge towards online banking services.

SUGGESTIONS:

6. First of all banks have to identify their clients, when they are able to identify their customers; it would be simple for the banks to provide their clients better assistance than other banks.
7. Banks must educate their clients about the usage of online banking operations like opening an account, transferring the amount etc.
8. Banks should retain their customers by providing timely services to their customers.
9. With the latest technology and innovations that are expected by the customers, banks need to update themselves. Providing quality services by updating themselves with latest technology.
10. Confidence should be build within the users regarding the protection in using online banking.
11. The safety involved in banking transactions should be obviously evaluated to the customers through proper medium of communication like TV and print media.
12. At any time banks have to be ready to overcome whichever challenges. Even to face any competition or hurdles. They should be ready with their latest and updated technology.
13. Banks need to analyze about their reputation in the public. It is very important as brand makes more sense. When reputation in public is good then banks can survive in the market. If not they need to face many problems.

CONCLUSIONS:

This article paves way to the conversation on online banking adoption. The role played along with the advantages as well as drawbacks lying in it. Digitalization has encouraging outcome on banking sector. Banks started improving themselves by providing advanced services. Clients are more pleased when compared with opportunities before digitalization. Banks started educating their customers through proper channel about the use of online banking.

Conflict of interest:

There is no conflict of interest among authors.

Authors' Contribution:

1. Authors are satisfied about their contribution towards the study.
2. P. Madhu Kumar Reddy: Introduction of the title, review of literature, data analysis, Research methodology.
3. Dr. A. Rama Kumar: Discussing on the results.

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