

ASSESSING THE INFLUENCE OF ONLINE BANKING SERVICES ON CONSUMER CONDUCT

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Abstract

This study examines ATM, mobile, and internet banking client behavior. The study examined electronic banking client preferences, satisfaction, and usage trends using descriptive research. Closed-ended surveys and interviews provide quantitative and qualitative consumer behavior data. The study analyzes relevant literature to determine how information technology affects bank financial and operational performance. It stresses the importance of customer happiness in business goals. It also stresses electronic banking's convenience, improved rates, portability, time-saving, and investment administration and monitoring benefits. The study examines consumer preferences for online banking, customer satisfaction among private and public bank customers, and demographic factors affecting online banking use. Data analysis uses the Chi-square test and ANOVA (F-test) to find significant connections between parameters and electronic banking services. The findings can help legislators and bankers improve electronic banking services to meet consumers' changing wants.

Keywords: *E-banking, electronic banking, consumer behavior, impact, customer satisfaction, convenience, adoption, usage patterns, demographic factors*

1. INTRODUCTION

Information technology has enhanced banking processes and services by making them more adaptable and user-friendly. Examine relevant literature to evaluate prior studies on banks' financial and operational performance after implementing information technology.

Client happiness is a key metric for banks to evaluate their website's efficiency in acquiring, retaining, and expanding wallet share. While e-banking and consumer acceptance have been extensively studied, customer perspectives have not been fully examined. The literature will be examined to determine how prior research calculated consumer satisfaction. It will examine how the internet channel meets customer needs and exceeds expectations. This study uses customer satisfaction to estimate the impact of internet banking on bank profitability.

The UK recession shows that the banking industry is vital to any economy. Financial sector declines hurt the whole economy. In the late 20th century, information and communication technology improved its ability to manage financial concerns and offer a wide range of products and services internationally. Information systems have given rising technology users an edge and created the infrastructure needed for the global economy to become global. Within seconds, billions of dollars are transferred on the global electronic network. Information technology developments are driving the unforeseen transformation of the banking and financial sector (BFI).

Information systems have had a major influence on living standards, corporate operations, and financial sector research during the past decade, yet academics and marketers still struggle with them. Due to client initiative, convenience, cultural transformations, and technological advances, the financial services industry has changed significantly.



Figure 1: E Banking

1.1. Benefit of E- Banking

- **Convenience-** This far outweighs any drawbacks and is the primary benefit of online banking. Nobody should have to give up the convenience of being able to control trades and make payments with a single click without having to leave their house or place of employment. Online account data monitoring is more beneficial and of greater catalyst than visiting a bank. Many non-value-based tasks, such as receiving a check book online, updating records, and calculating loan charges on different financial products, are made much easier by e-banking services, among other things.
- **Improved Rates-** This suggests that in exchange for a portion of the bank's reserve reserves, customers may be eligible to get reduced financing charges on credit and greater loan fees on retail. Most banks provide low- or no-store accounts in an effort to entice customers to use online banking. They often lessen the penalties for early withdrawals of fixed deposits. With less physical labor, this type of financing produces greater returns. The reduction of the need to hire additional personnel and expand office space in order to handle customer service results in significant cost investment money for banks.
- **Mobility-** One further advancement in e-banking is portable web banking, which allows users to be extremely mobile and conduct financial transactions quickly.
- **Saving of time and increased comfort -** E-banking lets you control exchanges 24/7 without visiting the bank.
- **Discounts -** Internet banking offers access to varied restrictions, a significant benefit. Customers using credit or Visas at retail stores might benefit from varied limits.
- **Monitoring services -** By consulting their updated passbook, customers may monitor their expenditures and make changes to their financial goals instantly.
- **Services -** Innovation has made accessing the bank's website and getting data easy for customers and the bank. Electronic services include sophisticated adding machines, stock trading platforms, credit arrangement tools, speculative research tools, and utility planning and gauging devices. Most banks provide online duty arrangement frameworks and services.
- **Speed -** Customers can submit installments as late as feasible because of how quickly this kind of communication responds.

- **The transfer services** - The virtual financial framework allows you to transfer money at any time of day or night, 365 days a year. You are not required to complete any trade during business hours; you are welcome to do so whenever it is convenient for you.
- **Management of funds** - Clients can obtain their trade history for different records and do their own "consider the possibility that" evaluations prior to completing any web-based swap. Better cash flow for CEOs can therefore be attained.

1.1.Objectives of the study

1. To find out which clientele prefer to utilize electronic banking services.
2. To find out if the degree of satisfaction with electronic banking varies noticeably between bank clients in the public and private sectors.
3. To determine how consumer demographics impact the frequency of usage of electronic banking

2. LITERATURE REVIEW

Hammoud et al., (2018) e-banking administration quality and consumer loyalty in Lebanese finance are examined. The authors discuss the rise of e-banking and its relevance in the sophisticated financial industry, highlighting customers' shift to electronic banking. They emphasise administrative quality in e-banking, citing research that shows it drives user loyalty and steadfastness. E-banking administration quality is assessed by dependability, responsiveness, confirmation, compassion, and physical assets. The authors also examine prospective e-banking administration quality approaches like the servqual model and the Innovation Acknowledgement Model. Trust, security, and risk also affect customer perception of e-banking administration quality, according to the poll.

Shankar and Jebarajakirthy's (2019) E-banking administration quality and customer dependability are examined using a directed intervention strategy. E-banking and its growing role in finance are examined in the audit. The developers prioritize e-administration quality, including dependability, responsiveness, security, ease, and support delivery. They also discuss the possible causes of client unwaveringness in e-banking, arguing that happy customers will be loyal. The focus also suggests that segment variables, innovation status, and financial foundation confidence may affect the link.

Shareef et al.'s (2018) examined factors affecting consumer acceptance of flexible financial services over phases. The poll uses the Innovation Acknowledgment Model (Cap), which factors on apparent handiness, convenience, attitude toward flexible banking, and social goal of reception conduct. The poll also examines segment characteristics, creativity, saw risk, innovation trust, social effect, and institutional elements. The evaluation acknowledges that reception interactions vary per client, with elements impacting decision-making at each level. The authors provide valuable insights for professionals learning and using flexible financial reception.

3. RESEARCH METHODOLOGY

3.1. Research Design

Descriptive research analyzed customers' electronic banking activity. Primary data was collected via interviews and closed-ended questionnaires.

- **Close-ended questionnaire** - It would collect quantitative data on online banking usage. The questionnaire would include pre-defined response options, simplifying data collection and processing. Questions on ATM, mobile banking, and internet banking services include frequency, satisfaction, preferences, and opinions.
- **Interviews** - Some respondents would be interviewed in addition to completing the questionnaire. These interviews would enable a greater understanding of clients' electronic banking experiences, perspectives, and attitudes. Open-ended questions allow respondents to express their ideas in their own words, yielding richer qualitative data.

3.2. Sample Design

The research examined customer behavior, preferences, and impressions of ATM, mobile, and internet banking. A total of 120 respondents were selected by four major financial institutions: SBI, PNB, HDFC, and IDBI. The convenience sampling strategy likely chose Chandigarh respondents. The 120-person sample size provided unique insights into Chandigarh's electronic banking clients' views and habits, allowing a complete investigation of usage trends and preferences.

3.3. Analysis

For the study on customer electronic banking use, many statistical analyses were performed to get insights. The chi-square test was employed to determine categorical variable associations. This test allowed researchers to examine links between customer happiness and online banking usage.

Additionally, the study used ANOVA (F-test), a statistical approach for comparing means across various groups, to examine consumer behavior or perspectives among electronic banking services or institutions. This let researchers find substantial differences in consumer attitudes and behavior across service categories or banking facilities. Several categories' average scores were calculated using the weighted arithmetic mean to summarize respondents' electronic banking experiences. The study used these statistical methods to analyze customer behavior in electronic banking, providing banking practitioners and scholars with significant insights.

4. DATA ANALYSIS

4.1. Demographics of Respondents

Table 1: Demographic Respondent

Particular	Frequency	Percent
Gender		
Male	65	55
Female	55	45
Education		
Intermediate	50	42
Graduate	14	11
Post Graduate	25	21
Professional	31	26
Age Group		
Below 30	17	14
30-35	30	25
35-40	25	21

40-45	29	24
45-50	19	16
Monthly Income		
Less than Rs 11000	29	24.1
Rs 11001 – Rs 19000	33	27.5
Rs 19001 – Rs 29000	10	8.3
Rs 29001 – Rs 40000	13	10.8
More than 40000	35	29.1
Profession / Occupation		
Govt Employee	19	15.8
Pvt Employee	34	28.3
Professional	17	14.1
Businessman	27	22.5
Student	7	5.8
Retired	11	9.1
Other	5	4.1

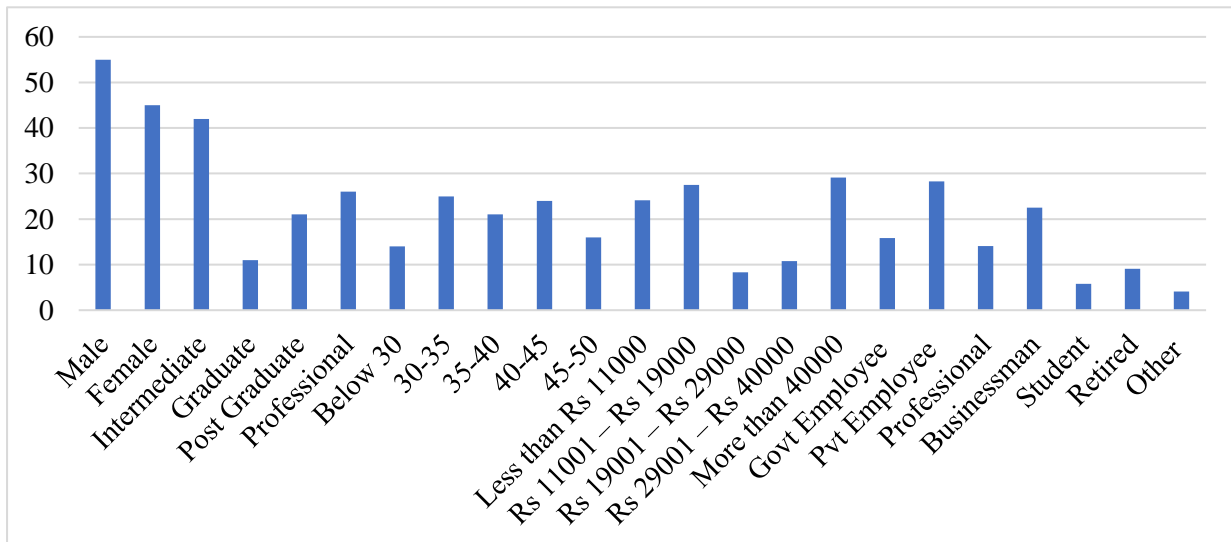


Figure 2: Graphical Display of the Respondents' Demographic Percentage.

The data shows gender distribution, education levels, age groups, monthly income, and professions/occupations of a sample population. The sample is balanced at 55% male and 45%

female. Most have intermediate education (42%), followed by post-grads (21%), professionals (26%), and graduates (11%). The age distribution is varied, with 25% in the 30-35 age range. Monthly income is between Rs 11,000 (24.1%) and Rs 40,000 (29.1%). Respondents work in private (28.3%), commercial (22.5%), and government (15.8%) sectors. This suggests detailed investigation is needed to comprehend this group's dynamics and actions.

4.2. Preference for Online Banking Services

Table 2: Ranking of Banking Services

Services	Weighted Mean	Rank
ATM		
Cash Withdrawal	17.1	1
Balance Enquiry	8.51	3
Mini Statement	4.23	5
Prepaid Recharge	15.4	4
Bill Payment	8.92	1
Mobile Banking Registration	7.21	3
PIN Change facility	6.22	4
Single card for all accounts	5.41	6
Cheque book request	5.65	1
Money Transfer	3.21	2
Deposit Cash & Cheque	8.51	5
Mobile Banking		
Balance Enquiry	5.21	1
Mini Statement	9.52	2
Fund Transfer	6.52	4
Mobile Top up	4.32	6
Pay Bill	5.21	4
Cheque Book Request	18.1	2
Access to Credit card Statement	6.32	1
Contact Customer Care	6.22	7
Internet Banking		
Account Statement	4.35	11
Tax Payment	35.2	4

Third Party Transfer	88.7	3
Mobile Top up	45.1	6
Pay Bill	62.3	8
Cheque Book Request	12.6	6
Access to Credit card Statement	14.2	1
Customer Care Support	6.21	7
FD Request & Enquiry	4.12	6
Change Customer Profile	3.21	4
Credit Card Payment	6.21	1

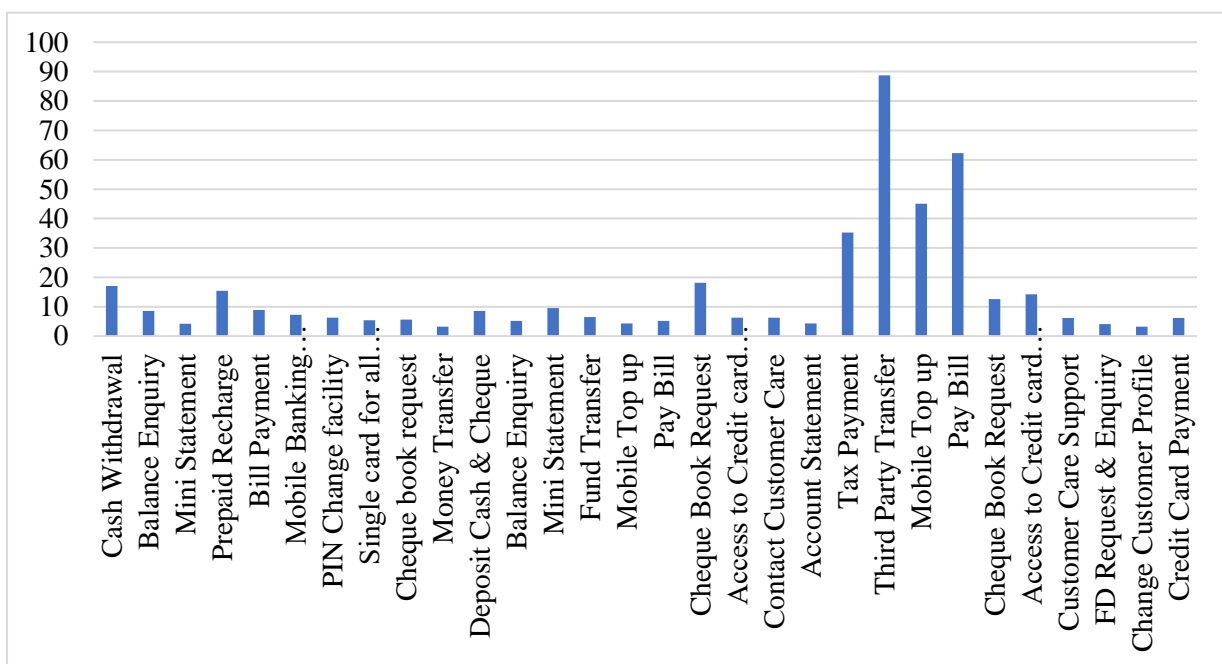


Figure 3: Graph Showing the Weighted Average of Banking Services

According to the research, customers favor online, mobile, and ATM banking. Cash withdrawal, bill payment, and check book request are more vital than compact statements and a single card for all accounts. Mobile banking includes fund transfers, mini statements, check book requests, and balance questions. However, customer service and phone top-up are less significant or common. Online banking offers bill payment, credit card statement access, and third-party transfer. These services are regarded for making online money management easy. Account statements and FD requests and inquiries are less significant or visible. The data shows how banks must adapt their services to meet clients' diverse needs.

4.3. Hypothesis Testing

H01 = There is no appreciable difference in the satisfaction scores of private and state bank customers with regard to ATM service.

H02 = Regarding mobile banking, there is no appreciable distinction between private and public bank clients' satisfaction ratings.

H03 = There is no appreciable difference between private and public bank customers' satisfaction levels with Internet banking.

Table 3: Anova Test

Hypothesis	Electronic Banking	Anova (F – ratio)				Results
		Calculated Value	Degree of Freedom	Level of Significance	Tabular Value	
H01	ATM	4.20	(1,3)	4%	6.51	Accepted
H02	Mobile Banking	0.229	(1,3)	4%	6.51	Accepted
H03	Internet Banking	7.21	(1,3)	4%	6.51	Rejected

H04 = The frequency of respondents' usage of online banking services is unaffected by their gender

H05 = The frequency of respondents' usage of online banking services is unaffected by their age.

H06 = The frequency of respondents' usage of online banking services is unaffected by their income.

H07 = The frequency of respondents' usage of online banking services is not significantly influenced by their educational background.

Table 4: Chi- Square Test

Hypothesis	Factor	Test	Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value	Result
H04	ATM	Chi Square	25.21	2	4%	4.899	Rejected
	Mobile Banking		11.26				
	Internet Banking		18.56				
H05	ATM	Chi Square	4.95	2	4%	4.899	Rejected
	Mobile Banking		5.71				
	Internet Banking		5.11				
H06	ATM	Chi Square	5.70	2	4%	4.899	Accepted
	Mobile Banking		1.44				
	Internet Banking		4.65				
H07	ATM	Chi Square	9.31	5	4%	4.899	Accepted
	Mobile Banking		3.70				
	Internet Banking		10.7				

ATM services match test requirements, according to hypothesis testing. Hypothesis H04, on ATM services and test criteria, has a chi-square value of 25.21, exceeding 4% significance.

Hypothesis H05, which evaluates ATM, Mobile, and Internet Banking, has a chi-square value of 4.95, above 4% significance. The chi-square value of Hypothesis H06, which evaluates ATM, Mobile, and Internet Banking, is 5.70, below 4% significance. Hypothesis H07, which evaluates ATM services and test criteria, has a chi-square value of 9.31, indicating 4% significance. The context and combination of factors assessed can modify the relationship between components.

5. CONCLUSION

Electronic banking services are essential for the banking industry to satisfy client needs, the survey says. Internet banking offers reduced rates, portability, and time savings. ATM, mobile, and internet banking are most popular for cash withdrawal, bill payment, and balance inquiries. These data suggest that electronic banking improves customer happiness and industry adoption. The study shows that gender, age, income, and education impact electronic banking adoption and use differentially. Service use is substantially correlated with money and education but not age. These associations suggest specialized tactics are needed to efficiently service numerous consumer types. To match changing client preferences and demographics, banks must continually update their online banking offers, the survey found. It will keep their digital banking relevant and competitive.

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