

# A STUDY ON CUSTOMERS PERCEPTION TOWARDS ONLINE BANKING

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## Abstract

The digital revolution in the banking sector has introduced online banking as a transformative service that provides customers with flexibility, time savings, and convenience. This research aims to examine customer perceptions, awareness levels, satisfaction, and the factors affecting both the usage and non-usage of online banking services. A sample of 98 respondents from Raipur, Chhattisgarh, participated in a structured survey. The findings indicate a high adoption rate of online banking among younger, educated users, primarily due to ease of use and time efficiency. However, challenges such as security concerns and technical issues continue to affect adoption. This study recommends measures to improve awareness, infrastructure, and digital trust among customers to enhance the overall adoption and satisfaction of online banking services.

## Keywords

Online Banking, Customer Perception, Digital Banking, Mobile Banking, Banking Awareness, E-Banking Challenges, Financial Technology, User Satisfaction

## 1. Introduction

Online banking has become a core component of modern financial services, allowing customers to manage transactions, pay bills, transfer funds, and access account information anytime and anywhere. Especially with advancements in internet connectivity and smartphone penetration, banking institutions are leveraging technology to serve their customers more efficiently.

In India, while online banking is rapidly gaining traction, especially among youth and urban populations, several users remain cautious due to concerns regarding security, technical glitches, and lack of digital literacy. This study investigates customer awareness, perceived benefits, limitations, and the overall perception towards online banking, especially in a semi-urban context like Raipur.

## 2. Objectives of the Study

- To study the awareness level of customers regarding internet banking.
- To identify the factors affecting the usage of online banking services among customers.
- To examine the reasons for non-usage of online banking services.
- To analyze demographic characteristics influencing customer perception.
- To provide recommendations to improve adoption and trust in online banking services.

## 3. Literature Review

Several studies have highlighted factors that influence customers' adoption of e-banking:

- **Patsiotis et al. (2011)** classified customers in Greece based on their perception of internet banking and noted distinct profiles of adopters and non-adopters.
- **Juwaheer et al. (2012)** in Mauritius found ease of use, perceived usefulness, and trust to be key factors.
- **Hussien & Aziz (2013)** demonstrated that service quality strongly affects customer satisfaction.
- **Sharma & Govindaluri (2014)** highlighted the influence of internet connectivity, social influence, and awareness in urban India.
- **Kavitha & Gopinath (2020)** used the Technology Acceptance Model to confirm the significance of website attributes and reliability.

These studies consistently emphasize usability, security, education, and digital infrastructure as core influencers of customer behavior.

## 4. Research Methodology

- **Research Design:** Descriptive and analytical.
- **Sampling Method:** Non-probability snowball sampling.
- **Sample Size:** 98 respondents.
- **Data Collection:** Primary data collected through Google Forms using a structured questionnaire.
- **Tools Used:** Percentages, pie charts, and factor analysis to identify key usage and non-usage determinants.

## 5. Data Analysis & Interpretation

### *Demographics*

- **Gender:** 53% Female, 47% Male.
- **Age Group:** 56% in 18–30 years range.
- **Education:** 61% Graduates.
- **Marital Status:** 56% Unmarried.
- **Monthly Income:** 40.7% earn ₹10,000–₹20,000.

### *Online Banking Usage*

- **Users:** 79% use online banking; 21% do not.
- **Satisfaction:** 75.5% satisfied with online banking services.

- **Familiarity:** 30% have average knowledge; 27% are beginners; only 20% are experts.
- **Information Source:** Social media, banks, friends, and advertisements were primary sources.
- **Frequency of Use:** Majority use online banking daily.

#### *Usage Motivators*

- Time-saving
- Ease of use
- Cost-effectiveness
- Speed and accessibility
- Account information availability

#### *Barriers to Use*

- Security concerns
- Technical issues (link failure, bugs)
- Perceived complexity
- Inadequate guidance

### 6. Recommendations

- **Customer Training:** Banks should organize awareness programs and training sessions.
- **Security Enhancements:** Move from two-factor to three-factor authentication for better protection.
- **Digital Infrastructure:** Upgrade software and reduce link failures.
- **User Interface:** Websites and apps should be more user-friendly and responsive.
- **Rural Outreach:** Expand services to rural and semi-urban areas.
- **ATM Services:** Improve ATM uptime and cash availability.
- **Confidence Building:** Proactive customer communication to build trust.

### 7. Conclusion

This study indicates that online banking is predominantly used and trusted by young, educated individuals in Raipur. Most customers find it convenient, cost-effective, and time-saving. However, technical limitations and security fears persist, particularly among less tech-savvy users. To increase adoption, banks must invest in customer education, digital infrastructure, and better fraud prevention measures. By addressing these concerns, banks can further solidify customer relationships and drive digital transformation in the financial sector.

Thank you for the clarification.

Below is the revised References section for the research paper titled “A Study on Customer’s Perception Towards Online Banking”, now including only sources from the last five years (2020–2025).

## 8. References

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