A Study on Perception of People on Online Banking

Rishant Menon, Dr. Pratiksha Mishra

Rishant Menon, B.Com (Hons.) Final Year Student, Amity Business School, Amity University Chhattisgarh
Dr. Pratiksha Mishra, Assistant Professor, Amity Business School, Amity University Chhattisgarh

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Abstract

The increasing dependence on digital platforms has really changed the way traditional banking works. Online banking, a key part of this shift, gives users the ability to handle their financial transactions from anywhere. Still, how people feel about online banking varies quite a bit, shaped by factors like age, education, income, and how comfortable they are with technology. This study looks into how the public views online banking and examines how aspects like user-friendliness, security, satisfaction with services, and awareness influence their opinions. By using a structured questionnaire and gathering responses from 100 participants, the study finds that younger, tech-savvy folks are generally more open to online banking, while older individuals tend to be more cautious, mainly due to worries about security and their limited tech skills. The results aim to assist financial institutions in customizing their services to improve customer experiences and encourage wider adoption.

*Key Words***:** Online Banking, Perception, User Experience, Digital Banking, Customer Satisfaction, Security Concerns

1. INTRODUCTION

The rise of online banking has completely changed the way people handle their finances. With just a few clicks, you can make transactions, pay bills, transfer money, and even invest. However, not everyone is jumping on board at the same rate. It's important for banks to understand how customers feel about these services so they can spot any shortcomings and create better digital solutions. This study dives into how people perceive online banking, looking closely at how factors like demographics and service elements—such as convenience, trust, and usability—play a role.

2. REVIEW OF LITERATURE

Samundeswari R and colleagues (Nov 13, 2019) conducted a study exploring how people perceive and are affected by electronic banking in India. They took a close look at the role of e-banking in the country, diving into both the opportunities it presents and the challenges it faces. The findings revealed a positive trend in online banking growth, suggesting that it will keep expanding as technology continues to advance rapidly.

In a study conducted by Research Gates on October 19, 2020, the focus was on E-banking services in Karnataka. The research delved into how customers feel about e-banking, exploring their likes and dislikes. It also examined the benefits, challenges, opportunities, and the overall role of e-banking in development. The findings from the study titled "Customer's Experience with E-Banking" reveal that, overall, customers are quite satisfied with their online banking experiences. However, a significant concern for many is security and privacy, especially given the rise in online fraud, scams, and hacking incidents. Despite Indian banks offering E-banking services with 128-bit encryption, reports of fraud still persist. Therefore, it's crucial for banks to prioritize customer safety and take proactive measures to prevent fraud.

V. VIMALA (2016) conducted an evaluative study on Internet Banking Security among selected Indian customers. In a nutshell, this study focused on Internet banking users in the Coimbatore district, aiming to explore various aspects of the services offered and the security concerns that consumers have. The findings from this research shed light on a precautionary checklist that addresses several issues prevalent in the world of internet banking today.

3. OBJECTIVES OF THE STUDY

- To explore how people perceive online banking.
- To pinpoint the main factors that affect satisfaction and trust in online banking services.
- To investigate how demographic factors relate to the use of online banking.

4. NEED OF THE STUDY

 As digital transformation continues to reshape the banking landscape, it's crucial to grasp how the public perceives these changes to ensure that online services are both inclusive and effective. This study is vital for pinpointing what motivates or deters users from embracing online banking, as well as how banks can effectively bridge the gap between cutting-edge technology and user comfort. The insights gained aim to help financial institutions better tailor their digital offerings to meet customer needs.

5. RESEARCH METHODOLOGY

The research design for this study is descriptive, which is a great fit because it highlights the current attitudes, beliefs, and perceptions people have about online banking services. This method enables the researcher to delve into trends and patterns across various customer groups, considering important factors like convenience, security, trust, and usability.

Data Collection Method

For this study, we relied on both primary and secondary data.

• We collected primary data through a structured questionnaire that was shared with respondents on various online platforms. This questionnaire aimed to gather insights on

several aspects, including user satisfaction, ease of use, frequency of usage, trust, and security concerns.

• As for the secondary data, we sourced it from articles, journals, online databases, and bank reports that focus on online banking trends, consumer behavior, and the digital transformation happening in the banking sector.
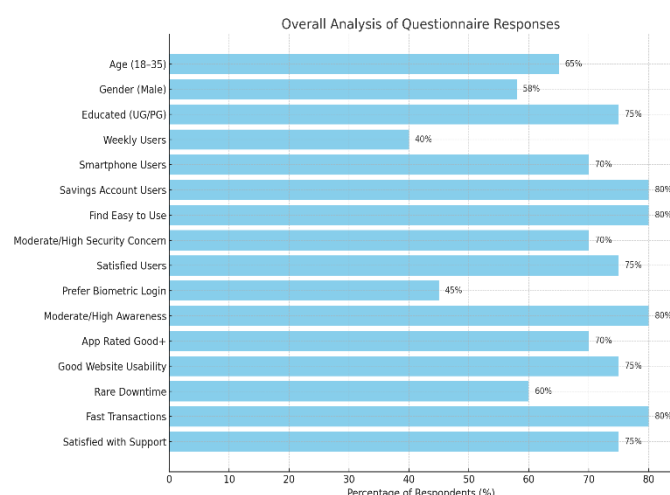
Sampling Technique

The study employed a convenience sampling technique, which is a non-probability method that selects participants based on their availability and willingness to take part. Since the research aimed to explore perceptions, the focus was on individuals who have experience with and access to online banking platforms.

Sample Size

The study involved a sample of 100 respondents, carefully chosen to represent a wide range of age groups, educational backgrounds, income levels, and geographical areas. This diversity was key to gaining a more comprehensive understanding of the different perceptions surrounding online banking services.

Variables	Result
Age Group	65% aged 18–35
Gender	58% male, 42% female
Usage Frequency	40% weekly, 20% daily
Preferred Device	70% use smartphones
Trust in Security	50% moderate concern, 20% high concern
Satisfaction	75% satisfied
Awareness of Features	50% moderate, 30% high

6. INTERPRETATION

Overall Analysis of Questionnaire Responses

We took a close look at twenty different factors to understand how users feel about online banking. These factors included things like age, gender, job, income, how often they use the service, what devices they prefer, their satisfaction levels, their awareness of the service, and any security concerns they might have. Interestingly, most users between the ages of 18 and 35 were actively using online banking. Mobile devices turned out to be the go-to platform for most. About 70% of users rated

their apps as either good or excellent. However, older users expressed the most worries about security. Overall, while users were happy with the speed and ease of use, they did mention wanting better customer support and clearer information about the features available.

7. FINDINGS OF THE STUDY

- Younger users, specifically those aged 18 to 35, are engaging more with online banking than their older counterparts.
- Meanwhile, security and privacy issues are still top of mind, particularly for older users. When it comes to logging in, biometric authentication is the preferred choice for many.
- Most users have a decent understanding of the various banking features available to them, but there's still room for improvement.
- Interestingly, mobile apps are now the go-to option for most people, surpassing traditional websites.
- Overall, users are quite satisfied with the speed and convenience of transactions, although experiences with customer support can vary widely from one user to another.

8. SUGGESTIONS

- Banks really need to improve their approach to digital literacy, particularly for older customers who may not be as comfortable with technology.
- Improving customer support channels is essential for quicker problem-solving.
- Running awareness campaigns can really help users get to know those features they might not be using to their full potential.
- Apps and website interfaces should be simple and more user-friendly.
- It's really important for banks to clearly communicate their security measures to build trust with their clients.

9. CONCLUSION

Online banking is transforming how people interact with financial institutions. While the benefits are clear, perception varies widely based on demographics and digital experience. This study highlights the need for banks to bridge the perception gap through user education, improved security assurance, and continuous service innovation. A better understanding of customer needs can help banks design more inclusive and accessible platforms.

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