ABSTRACT

Short of time but expectations of better services on the part of customers together with tough competitions amongst the banks gave birth to electronic banking. Factors of comfort and quick service resulted into the use and acceptance of one of the branch of electronic banking i.e. internet banking. Although customers’ era of banking shifted from brick and mortar branch to click banking, there level of usage and acceptance was a matter of concern. In the present research scholar has concentrated on private sectors internet banking customers in the western regions of Mumbai from Andheri to Borivali. Three hundred respondents from these areas served as a population of the universe for the purpose of research.

Here, researcher has tried to summarise the research in the chapterwise scheme as follows:

Introduction

In this chapter, efforts have been taken to explain e-banking, internet banking, types of risks associated with internet banking, guidelines given by Reserve Bank of India, authentication methods and techniques, problem on hand and selection of topic for the research.

Literature Review

In this chapter researcher has reviewed various books, journals and research papers of foreign counties as well as Indian economy.

Materials and Methods

Researcher chose the methods of interview, discussion, observation and questionnaire for data collection. Banking customers were selected randomly, similarly banks for interview were also selected on the basis of convenient sampling. Various statistical
tools like chi-square test, T-test, ANOVA, F-test were applied for further analysis besides classification and tabulation. Researcher also interviewed almost 20-25 private banking officials within the selected zone.

Research was initiated with the five objectives in mind i.e. to make people understand the difference between electronic banking and internet banking, to study advantages as well as disadvantages of internet banking in great detail, impact of age, gender, income, updation of knowledge and cost structure on acceptance of internet banking. Besides this security aspect associated with usage of internet banking was also analysed. Three hypotheses have been formulated to show the research a proper path for further proceedings. In these hypotheses association have been evaluated between frequency use of internet banking and operational facility use of internet banking with transactional satisfaction. Similarly, associations between frequency use of internet banking and operational use of internet banking with security satisfaction have also been tested. Third hypothesis assumed that percentage of users to believe that website is an important tool for using internet banking is more than 85%.

**Data Analysis**

With the help of SPSS all the objectives have been achieved and all the hypotheses have been tested. Data analysis indicates that maximum respondents do not know the difference between electronic banking and internet banking. There is no association between income, gender and advantages of internet banking but association was found between age group of respondents and advantages of internet banking. While analysing disadvantages no association was found with age, gender as well as income. Similarly, findings indicate that there is no dependency between gender, knowledge updation, cost structure and acceptance of internet banking. Against this, relativity was found between level of income, age and acceptance of internet banking. Security satisfaction was tested on different sets of questions in objective and in hypothesis and accordingly findings have been observed and noted down. Results of security concern in objectives indicated that there is association between frequency use of internet banking and security satisfaction. Likewise, association was found between operational facility use of
internet banking and security satisfaction. In the first hypothesis when transactional satisfaction was tested on two parameter i.e. frequency use of internet banking and operational facility use of internet banking, test indicated that in both the cases null hypotheses is rejected and association was found between frequency use of internet banking, operational facility use of internet banking with transactional satisfaction of internet banking. In the second hypothesis when security satisfaction was tested on the same parameters, analysis concluded that in the case of previous one, test is accepted and no impact was seen of security satisfaction on frequency use of internet banking. But in case of later one null hypothesis is rejected and impact of security satisfaction derived from internet banking was same on operational facility use of internet banking. In case of third hypothesis null hypothesis is accepted and alternate hypothesis is rejected.

**Results and Discussion**

Finding of data analysis concludes that there is a difference between electronic banking and internet banking. This difference is explained by explaining the difference between internet banking and mobile banking, difference between internet banking and smart card, difference between internet banking and debit card and difference between internet banking and credit card. Results indicate that although advantages differ from one age group to another, they remain at par for gender as well as all income groups. But in case of disadvantages of internet banking experience of all the respondents is same irrespective of their age, gender and income. When acceptance of internet banking was tested with age, results indicated that acceptance of internet banking by young age group is better as compared to senior citizens and old age groups. But when it comes to gender, acceptance of internet banking was unbiased. Positive correlation was found between income and acceptance of internet banking. Whereas, results show that knowledge updation and cost structure do not influence customers’ acceptance for internet banking. Result of fourth objectives are clear on the view that if one feels oneself better secured in internet banking environment, he will not only use internet
banking on regular basis but will also avail maximum services offered by the internet banking.

In the first hypothesis transactional satisfaction was tested against two parameters i.e. frequency use and operational facility use of internet banking. Results of the test conducted for both the parameters indicate that only once a person derives satisfaction after his transaction was completed successfully within internet banking environment, it will encourage him not only to use internet banking very frequently but also to use maximum facilities of internet banking. In case of second hypothesis, like fourth objective against security satisfaction was tested on two parameters but in this case security satisfaction was arrived at with combined calculation of different sets of question. Therefore results arrived at were also different. Responses to these questions resulted into the conclusion that security related incidence which take place once in a blue moon day do not affect customers’ frequency use of internet banking but it definitely discourages them to use additional facilities availed by internet banking. They restrict their usage with limited facilities on which they have been dependent for their basic requirements. Results of last hypothesis testing indicate that for increasing banks’ internet banking customer base, designing of website is also an important aspect. If it is easy to use and understand without any confusion it will attract more and more customers towards internet banking.

**Suggestions**

Research concluded by stressing upon the suggestions to be followed by private sector banks to recognize customers requirements, read their psychology and then parallel services offered. These will result in formulation of proper internet banking policies and strategies resulting into maximization of value for both banks as well as the users. Likewise beneficial suggestions have been given for the customers also to cooperate with banks and make internet banking a technological boom for oneself at individual level and society at large.