A STUDY ON CUSTOMER PERCEPTION ON RISK AND SECURITY TOWARDS E-BANKING

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ABSTRACT

Internet banking continues to be at associate child stage within the world. Many studies targeted on usage of web banking however several factors on non-usage were unnoticed. This analysis was dispensed to validate the abstract model of web banking. The causes were know and researched through correcting the contributing factors so web banking will be employed by a lot of folks. This will facilitate the banking operation to be a lot of value effective. The analysis is concentrated on customers' perceptions regarding web banking, the factors that drive customers, how consumers have accepted internet banking and the ways to improve the usage rate. The purpose of this analysis is to see the factors influencing acceptance level of web banking by the bank customers. The study discovered that education, gender and financial gain play a vital important role in usage of web banking. Not abundant analysis has been done on these areas as they were targeted a lot of on the acceptance of technology instead of on folks. The analysis supported the abstract framework stating that if skills will be upgraded, ca there will be larger will to use web banking by customers. Inhibitory factors like trust, gender, education, culture, religion, security and value will have stripped-down impact on client mind-set towards web banking.

KEYWORDS. (customerperception ,ebanking**,**trust , Technology acceptance model)

INTRODUCTION

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Internet banking empowers customers with larger management of their accounts. The banking sector occupies a important position within the international economy. The extension of cash and banking to the computer network could be a anticipated development in today's digital economy and also the modern era. The arena has been subjected to several external and internal forces. Of the external forces, technological modification and innovation is probably going to own the foremost impact on the arena. Technology, especially the web, could be a key driver of internal changes. Inside the arena external forces have attracted new entrants and enhanced client influence. These banks face important challenges on each the provision aspect and demand aspect, associated especially with competition, product-service quality and differentiation, group action security, value potency, and demographic modification.

2.E-BANKING PERMITS THE FOLLOWING

- Accurate statement of all means that offered in your checking account
- Statement of accounting, credits, overdrafts and your deposits
- Execution of national and international transfers in varied currencies
- Execution of all sorts of utility bill payments (electricity, installation, phone phone bills, etc..)
- Carrying out customs payments

3. REVIEW OF LITERATURE

- Zeithaml and Gilly (1987) attempted to compare the adoption of retailing technology among elderly and non-elderly bank customers. The study found that main reason for the reason for not using the ATMs was the preference for human tellers.

- Marshall and Heslop (1988) in their study attempted to investigate the impact of demographic variable on the adoption of ATM services. The study found that consumers' motives for use of technology were useful for predicting subsequent usage. Demographic factors such as higher education levels and employment status were positively related to usage of ATMs. Age was negatively related to adoption of ATMs

- Lewis (1991) found that users chiefly used ATMs for withdrawal of money and getting account balances. Study also found that negative factors regarding ATM usage were concern over personal safety, lack of privacy and operational problems

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- .Leblanc (1990) tried to identify the main consumer motivations for adoption of ATM Study found out that main consumer motivation for using ATMs was its accessibility benefits. Study also found that used of technology in banking sector improved service quality, presented little security risk and fulfilled their need for simple and fast transactions. Furthermore, non-users preferred interacting with human tellers and perceived ATM usage to be complex and risky.

4. RESEARCH METHODOLOGY

4.1 Objective of the study

- To study the security issues regarding customers perception towards E- banking.
- To identify the major variables that contribute risk and privacy in E-banking.
- To identify the advanced technologies that are designed to overcome the risk in E-banking .
- To analyses the effect and impact of insufficient knowledge of the customer regarding e- banking risk and security.

4.2 Statement of the problem

The major problem with the security is that people feel u safe about the money in their account. They tend to compare one bank's security with another thereby If a bank does not upgrade it's technology in security then it can lose it's potential customersOne solution would be to keep up to date with the technologies concerning security in banks and arrange campaigns regarding online frauds and make people aware about the do's and dont's with their bank password and account number.

4.3 Correlation method

Correlation is a statistical tool which studies the relationship between two variables and correlation analysis involves various methods and techniques used for studying and measuring extend of the relationship between two variables.

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CORRELATION: 1

H_0: There is no significant association between age and the convenience in internet banking.

H_1: There is significant association between age and the convenience in internet banking.

Table no: 4.3.1

Tablename: Relation between age vs. convenience

		Age	internet_banking_service_convenient
Age	Pearson Correlation	1	.710**
	Sig. (2-tailed)		.000
	N	133	133
internet_banking_service_convenient	Pearson Correlation	.710**	1
	Sig. (2-tailed)	.000	
	N	133	133

Correlation is significant at the .000 level (2-tailed)

Calculated value r(148)= .710 significant value=.000

The significant value is greater than 0.05. Hence H_0 is rejected and H_1 accepted.

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Interpretation

It is inferred that the relation between age of respondents are positively correlated to the convenience in internet banking.

CORRELATION: 2

H_0: There is no significant association between age and knowledge to use in internet banking.

H_1: There is significant association between age and knowledge to use in internet banking.

Table no: 4.3.2

Tablename: Relation between age vs. knowledge to use

		Age	internet_banking_ requires_knowledge
Age	Pearson Correlation	1	-.117
	Sig. (2-tailed)		.179
	N	133	133
internet_banking_requires_ knowledge	Pearson Correlation	-.117	1
	Sig. (2-tailed)	.179	
	N	133	133

Correlation is significant at the .179 level (2-tailed)

Calculated value r(148)= -.117 significant value=.179

The significant value is less than 0.05. Hence H_0 is accepted and H_1 rejected.

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Interpretation

It is inferred that the relation between age of respondents are positively correlated to knowledge to use in internet banking.

CORRELATION: 3

H_0: There is no significant association between education and easy to access in internet banking.

H_1: There is significant association between education and easy to access in internet banking.

Table no: 4.3.3

Tablename: Relation between education vs. easy to access

		Education	Easy_for_what_i_do
Education	Pearson Correlation	1	.012
	Sig. (2-tailed)		.892
	N	133	133
Easy_for_what_i_do	Pearson correlation	.012	1
	Sig. (2-tailed)	.892	
	N	133	133

Correlation is significant at the .892 level (2-tailed)

Calculated value r(148)= 0.12 significant value=.892

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The significant value is greater than 0.05. Hence H_0 is rejected and H_1 accepted.

Interpretation

It is inferred that the relation between education of respondents are positively correlated to easy to access in internet banking.

4.4 Chi square test

Chi-square test is used to access two types of comparison: tests of goodness of fit and test of independence test of goodness of fit establishes whether or not an observed frequency distribution differs from a theoretical distribution.

Hypothesis:1

H0: There is no significant association between gender and convenience in internet banking.

H1: There is significant association between gender and convenience in internet banking.

Table no: 4.2.1

Table name: Gender vs. convenience in internet banking

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.174[a]	3	.002
Likelihood Ratio	22.137	3	.000
Linear-by-Linear Association	.054	1	.816
N of Valid Cases	133		
a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.58.			

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Chi-square result

Calculated Value : 15.174

Degrees of freedom : 3

Tabulated Value : 7.815

Significant Level : 5% Level

Comparison : 15.174 >7.815

Interpretation

Calculated chi- square value is greater than the table value. Therefore null hypothesis, H0 is rejected. There is significant association between gender and convenience in internet banking.

Hypothesis:2

H0: There is no significant association between age and knowledge to use in internet banking.

H1: There is significant association between age and knowledge to use in internet banking.

Table no: 4.2.2

Table name: age vs. knowledge to use in internet banking

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.941[a]	6	.000
Likelihood Ratio	38.230	6	.000
Linear-by-Linear Association	1.816	1	.178
N of Valid Cases	133		
a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .74.			

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Chi-square result

Calculated Value : 46.941

Degrees of freedom : 6

Tabulated Value : 12.59

Significant Level : 5% Level

Comparison : 46.941> 12.59

Interpretation

Calculated chi- square value is greater than the table value.Therefore null hypothesis, H0 is rejected. There is significant association between age and knowledge to use in internet banking.

Hypothesis:3

H0: There is no significant association between education and knowledge to use in internet banking.

H1: There is significant association between education and knowledge to use in internet banking.

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Table no: 4.2.3

Table name: education vs. knowledge to use in internet banking

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	64.037[a]	9	.000
Likelihood Ratio	85.369	9	.000
Linear-by-Linear Association	15.630	1	.000
N of Valid Cases	133		
a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .74.			

Chi-square result

Calculated Value : 64.037

Degrees of freedom : 9

Tabulated Value : 16.92

Significant Level : 5% Level

Comparison : 64.037 > 16.92

Interpretation

Calculated chi- square value is greater than the table value. Therefore null hypothesis, H0 is rejected. There is significant association between education and knowledge to use in internet banking.

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5.CONCLUSION

To increase customers acceptance of web banking, banks got to perceive the antecedents of trust and develop an honest strategy to make customers trust in web banking. Internet banking could well develop in future to function as a shopping centre for various financial products such as insurance policies, pension funds, stock etc. Banks feel that customers lack the necessary confidence in internet banking so they have to use customer centric techno-innovative approach in building customer loyalty towards the adoption of internet banking. Thus, the analysis finished the assistance of applied mathematics tools clearly indicate the factors liable for web banking.

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