

RELATIONSHIP BETWEEN MOTIVATIONAL FACTORS OF INTERNET BANKING AND SOCIO ECONOMIC STATUS OF CUSTOMERS- A STUDY

***FAEZAH ROOHANI**

**Research Scholar, L.N Mithila Univeersity, Darbhanga*

ABSTRACT

Competitive pressures, emergence of internet technology pressurized many of the Indian banks to undergo tremendous changes and offer technology based services to their customers. Especially innovative development in Information and Communication Technology resulted in the new dimensional Indian banks. Now banks come to the doorstep of the consumer, offering tailor-made banking solutions to the customer and also go a step ahead day by day to operate their services every nuke and corner of India. These situations pressurized the Indian banks to offer the banking services through electronic services and computerized manners which resulted in the dawn of ATM, Internet banking, Mobile banking. This paper is a modest attempt to study the relationship between motivational factors of internet banking and socio-economic status of customers.

Key Words: *Internet Banking, Motivatinal Factors, Socio Economic Status.*

INTRODUCTION

Internet banking is a radical technological innovation with potential to change the structure and nature of banking from "bricks and mortal" into a "clicks and mortar". Internet Banking made a huge positive contribution in integrating Indian Banks with the banking system of the rest of the world in a much faster and effective manner. But usage rate of net banking highly depends upon the services offered by the banks, factors influencing to using internet banking and knowledge of the users to how to handle it properly. There has been substantial growth in Internet Banking. Research on the reason for its growth has been few and apart though some of the research indicates adoption of internet banking depends on the competency, technical experience and self efficacy

of the consumers. This has necessitated the need to research further for better understanding of the consumer's usage and their satisfaction.

REVIEW OF LITERATURE

Bayus (1987) argued that technology usage skills and prior experience influences customers' eagerness in adopting new technologies. He also pointed out that next generation of a technology has a positive influence on the usage when two technologies are complimentary. DeLone, (1988) and Igbaria et al. (1995) observed that consumers' beliefs and attitude on information technology adoption is influenced by previous technological skill or prior computer experience. Campeau et al (1999) in their research observed that new technology adoption is influenced by technology self efficacy.

Au et al. (2000) and Agarwal et al., (2000) assumed that understanding of new technologies and technically skilled customers better understand their consequences than others. Trocchia and Janda (2000) argued that users past experience and usage competency with particular technologies is associated with consumers' adoption rate of the Internet related technologies.

Jayawardhena and Foley (2000) argued that typical Internet banking user has been identified as a high involved person, with good education and skill belonging to the upper middle class. Lee and Lee (2001) employed the use of banking service as a proxy variable indicating consumers' need for banking service. They indicated that heavy users of banking services might adopt Internet banking as a convenient option that can save time and effort. However, if consumers have no experience of previous banking technologies, they might find it hard to adopt recent banking technology. They might not be comfortable and lack the confidence to use Internet banking, even though they think Internet banking is necessary.

Polatoglu and Ekin (2001) and Black et al. (2001) views are contradictory to each other. While Polatoglu and Ekin record that well-educated people with familiarity in the Internet and e-mail, would not find Internet banking to be complex and it is useful, Black argued that consumer's experience with computers and the complexity in conducting financial transactions over the Internet was inversely related.

Karjaluoto et al. (2002) also subscribed to the views in his research observations that prior computer experience and skills such as excellence in handling internet, e-mail, and e-payment had the most noteworthy impact on online banking usage. Technology experience, such as ATM, e-ID, teletext, and automats, were significant factors for attitude toward online banking among Finland bank consumers. Wang et al., (2003)

indicated that the individual differences in computer self-efficacy formed significant positive effects on the behavioural intention to adopt Internet Banking through perceived usefulness and ease of use.

Gerrard and Cunningham (2003) studied the characteristics of online banking in Singapore and found that computer experience or computer proficiency was an influential factor for adoption of online banking. According to the study of Laforet and Li (2005) perception of risks as well as lower level competency in computer and technological skills are the main factors causing obstruction in online banking acceptance.

Guriting, Chunwen, Ndu, (2007) found that the strong determinants of the behavioural intention to adopt internet banking are perceived usefulness and perceived ease of use. Computer self-efficacy is an individual's judgment of their computer competence. It is emphasized that computer self efficacy reflects individual perceptions and abilities to fulfill job requirements of computer competence, which is not related to practical computer skills Computer self-efficacy focuses on an individual's perceived ability in computer related situations and refers to judgments of capacity to accomplish a computer related job.

The study results of Sanmugam (2008) reveal that perceived usefulness, perceived ease of use, and self efficacy have a significant association with intention to use Internet banking among Malaysian consumers. Murali Raman et al (2008) results show that Internet banking users and non-users have different expectation towards e-service quality preferences. Analysis of variance in E-Service Quality Preferences among Internet Banking Adopters (light, medium, and heavy users) does not vary. The only difference is in the incentive varicable preferences. The medium and heavy users might not need as much incentive as the light user. The medium and heavy users are the early adopters who already rely and realize the importance of Internet banking. It is different with light user where incentive should be given appropriately to them.

Dixit, and Datta (2010) in their research observe that in spite of their security and privacy concern, adult customers are willing to adopt online banking if banks provide them necessary guidance which indicated that consumers who lack electronic banking skill may slowly adopt internet banking and banks should take necessary steps to upgraded their usage skills by the respective banks. Redelinghuis and Rensleigh (2010) in their research in South Africa have concluded that even though value-adding endeavors will ensure that customers experience and perception on their internet banking experience to be enriching, lack of computer education and awareness campaigns and diverse cultures and languages slowly impact the consumers to adopt electronic banking activities.

Elisha Menson Auta (2010) in her study in Nigeria shows that the customers have security and, access concerns and no enough knowledge regarding e-banking services rendered by banking sector in Nigeria, having a major negative effect in the usage of internet banking. Wadie Nasri (2011) says that risk, security and prior internet knowledge is also an important factor influencing customers adopting internet banking after convenience.

Motivational Factors Encouraging Customers for Internet Banking Usage

The Study Sought to assess the importance of motivational factors encouraging customers for Internet banking usage. The respondents were provided with six different statements pertaining to motivational factors and their views on them were sought as to how far they motivated them. The opinion of the customers of this internet banking usage is presented in Table-1.

Table-1
Motivational Factors Encouraging Customers for Internet Banking Usage

S No	Opinion	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
1.	Cost Effective	72 (36%)	72 (36%)	44 (22%)	8 (4%)	4 (2%)	200 (100%)
2.	Convenient Accessibility	104 (52%)	52 (26%)	40 (20%)	2 (1%)	2 (1%)	200 (100%)
3.	Accurate Information	88 (44%)	54 (27%)	52 (26%)	2 (1%)	04 (1%)	200 (100%)
4.	Efficient	76 (38%)	72 (36%)	42 (21%)	8 (04%)	2 (1%)	200 (100%)
5.	Security Provision	84 (42%)	56 (28%)	46 (23%)	8 (4%)	6 (3%)	200 (100%)
6.	Time Saving	122 (61%)	34 (17%)	38 (19%)	4 (2%)	2 (1%)	200 (100%)

Source: Compiled from Primary Data

Table-1 shows the details about the motivational factors encouraging customers for Internet banking usage in Darbhanga district. Among the 200 customers who have the motivational factors, 122 respondents (61%) have been motivated by Time savings, 104 respondents (52%) have been motivated by convenient Accessibility, 88 respondents (44%) have been motivated by The accurate Information, 76 respondents (38%) have been motivated by Effective service and the remaining 72 respondents (36%) have been motivated by cost Effectiveness.

In order to test the reliability of perception of the customers motivational factors encouraging customers for Internet banking usage, Cronbach's Alpha test has been applied and the result has been shown in Table-2

Table-2

Reliability Statistics for Motivational Factors Encouraging Customers for Internet Banking Usage

Particulars	Cronbach's Alpha Score
Motivational Factors Encouraging Customers for Internet Banking	0.865

Source: Primary Data.

It could be seen from Table-2 that the calculated value of Cronbach's Alpha for motivational factors encouraging customers for Internet banking usage is more than 0.7. Hence, it is concluded that factors encouraging customers for Internet banking usage could be relied upon.

Ranking the Motivational Factors Encouraging Customers for Internet Banking Usage

An attempt has been made to analyse the motivational factors encouraging customers for Internet banking usage. Table-3 shows the how respondents ranked the factors for Internet banking.

Table-3

Ranking the Motivational Factors Encouraging Customers for Internet Banking Usage

S No.	Opinion	5	4	3	2	1	Total Score	Rank
1.	Cost-Effective	360	272	119	28	8	787	6
2.	Convenient Accessibility	585	172	110	4	3	874	2
3.	Accurate Information	485	156	143	24	6	814	3
4.	Efficient Services	390	264	125	24	4	807	4
5.	Security Provision	465	164	128	28	11	796	5
6.	Time Saving	750	56	80	12	5	903	1

Source: Compiled from Primary Data.

From Table-3 it can be seen that respondents give first rank to time saving, second rank to convenient accessibility, third rank to accurate information, fourth rank to efficient services, fifth rank to security provision and sixth rank to cost effectiveness.

Gender of the Respondents and their Perception on Motivational Factors of Internet Banking Services

Gender is an important factor that motivates the respondents about Internet banking services. In order to find out whether or not there is any significant relationship between the gender and their perception of motivational factors, the ANOVA test has been applied. For that purpose, the null hypothesis that there is no impact of gender on various motivational factors for use of Internet banking services has been framed. Table-4 shows the calculation of ANOVA Test.

Table-4
Gender and Motivational Factors of Internet Banking Services

Gender	Motivational Factor	Demographics	Mean	SD	F	Sign	Result
	Cost Effective	Male	3.8571	1.02530	10.025	0.002	Significant
		Female	4.2414	0.79190			
	Convenient Accessibility	Male	4.13445	0.85610	10.515	0.001	Significant
		Female	4.4828	0.86080			
Gender	Accurate Information	Male	3.9412	0.90749	9.614	0.002	Significant
		Female	4.3218	1.15632			
	Efficient Services	Male	3.9202	0.94016	11.0213	0.001	Significant
		Female	4.2989	0.82286			
	Security Provisions	Male	3.8487	1.07632	15.989	0.000	Significant
		Female	4.3678	0.91645			
	Time Savings	Male	4.2437	0.94994	15.468	0.020	Significant
		Female	4.5172	0.88741			

Source: Computed Primary Data.

From Table-4 is understood that for all the motivational factors, the significant level is less than 0.05. Therefore, there is a statistically significant difference in the perception of male and female towards all motivational factors.

Age Group of the Respondents and their Perception of Motivational Factors of Internet Banking Services

Age is also an important factor that motivates the respondents about Internet banking services. In order to find out whether or not there is any significant relationship between the age and their perception of motivational factors, the ANOVA test has been applied. For that purpose, the null hypothesis that there is no impact of age on various motivational factors for use of Internet banking services has been framed. Table 4.6 shows the calculation of the ANOVA test.

Table-5
Age and Motivational Factors of Internet Banking Services

Age	Motivational Factor	Demographics	Mean	SD	F	Sign	Result
	Cost Effective	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	3.9866 3.8706 3.9245 3.8077 4.7500	0.92259 0.98547 1.08927 1.09615 0.62158	2.357	0.054	Not Significant
	Convenient Accessibility	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	4.2685 4.1647 4.1321 4.2308 4.5833	0.89012 0.79951 0.96152 0.81524 0.79296	0.853	0.492	Not Significant
	Accurate Information	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	4.0268 3.9529 4.0755 4.1154 4.5833	1.02632 0.96246 1.01620 0.95192 0.66856	1.124	0.345	Not Significant
Age	Efficient Services	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	4.0537 3.9176 3.9811 4.0385 4.5000	0.92842 0.94127 1.00939 0.72004 0.67420	1.147	0.334	Not Significant
	Security Provisions	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	4.0470 3.9882 3.7736 3.8077 4.5833	0.98183 0.98191 1.31034 1.23351 0.66856	1.810	0.127	Not Significant
	Time Savings	Below 30 years 30 to 40 years 40 to 50 years 50 to 60 years Above 60 years	4.3624 4.2471 4.3019 4.1154 4.7500	0.90206 0.96246 0.91115 1.21085 0.62158	1.145	0.335	Not Significant

Source: Computed Primary Data

From Table-5 it is understood that for all the motivational factors, the significant level is less than 0.05. Therefore, there is no statistically significance difference among the perception of respondents towards all motivational factors under different age groups.

Educational Qualification of the Respondents and their Perception of Motivational Factors of Internet Banking Services

The researcher has analysed the impact of educational qualification on the perception of motivational factors of Internet banking services. In order to find out whether or not there is any significant relationship between the educational qualification and their perception of motivational factors, the ANOVA test has been applied. For that purpose, the null hypothesis that there is no impact of educational qualification on various motivational factors for use of Internet banking services has been framed. Table-6 shows the calculation of the ANOVA test.

Table-6
Educational Qualification and Motivational Factors of Internet Banking Services

Education al Qualificati on	Motivation al Factor	Demographics	Mean	SD	F	Sign	Result
	Cost Effective	Primary Level Secondary Level UG Level PG Level Diploma Level	3.8571 4.0270 3.7882 4.0809 3.9600	1.22118 0.76327 0.98916 0.94324 0.97809	1.329	0.259	Not Signific ant
	Convenient Accessibility	Primary Level Secondary Level UG Level PG Level Diploma Level	3.9524 4.1892 4.1059 4.3824 4.3200	1.05812 0.84452 0.97619 0.72069 0.80208	2.687	0.031	Signific ant
Educational Qualificatio n	Accurate Informatio n	Primary Level Secondary Level UG Level PG Level Diploma Level	3.7143 4.0811 3.9529 4.1250 4.4000	1.17465 0.89376 1.03402 0.91439 0.95743	2.421	0.048	Signific ant
Educational Qualificatio n	Efficient Services	Primary Level Secondary Level UG Level	3.7857 4.1622 3.8941 4.1176	1.04848 0.79977 0.88672 0.91132	1.756	0.138	Not Sagnifi

		PG Level Diploma Level	4.1200	1.01325			cant
	Security Provisions	Primary Level Secondary Level UG Level PG Level Diploma Level	3.7857 4.0541 3.8471 4.1103 4.0400	1.27902 0.84807 1.08568 1.00865 1.09848	1.266	0.283	Not Signific ant
	Time Savings	Primary Level Secondary Level UG Level PG Level Diploma Level	4.1667 4.4054 4.2000 4.4044 4.3600	1.03398 0.83198 0.96115 0.93791 0.86023	0.986	0.415	Not Signific ant

Source: Computed Primary Data.

From Table-6 it is understood that for the motivational factors convenient accessibility and accurate information, the significant level is less than 0.05. Therefore, for these two statements, the null hypotheses are rejected. Hence, it is concluded that there is a significant difference among the perception of respondents towards motivational factors under different educational qualifications. For the other factors viz. cost-effectiveness, efficient services, security provisions and time savings, the significant level is more than 0.05. Therefore, the null hypotheses for these statements are accepted. Hence, it is concluded that there is no significant difference among the perception of respondents of different educational qualifications.

CONCLUSION

In this study we have analysed the motivational factors encouraging the customer for Internet banking usage by way of ranking the factors, analysing the relationship of demographic factors and motivational factors. Cost-effectiveness, convenience, accuracy, efficiency, security and time saving have been identified as motivational factors while factors such as gender, age, educational level, employment category and monthly income have also been identified as demographic factors.

A weighted Average score has been used to ranks the motivational factors and the factors time saving and convenient accessibility placed first and second respectively. The ANOVA test has been used to study the relationship between the socio-economic variable and the motivational factors. According to ANOVA the gender has strong influence on all the six motivational factors taken into study and the educational status of respondent

has influences on the motivational factors viz. convenient accessibility and accurate information. All other socio-economic variables do not have any influences of the motivational factors.

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