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INTERNET MARKETING PAVES THE WAY TO INCREASE CONSUMER MOTIVATION

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ABSTRACT

The Internet is a worldwise network of computer systems. This network provides an electronic medium for delivering, gathering and analysing information of all kinds. For instance, a business unit can use this technology to create and report its financial and other business information to diverse external user groups. Delivering countries constantly produce and use information in part because it is perceived as a resource for development. This information may be acquired by a variety of means. The prospective user needs tools to guide him through a flood of information and eventually secures the exact details that he needs. Almost every country in the developing world has access to Internet and World Wide Web (www) for getting financial information. This paper is trying to represent the basis on which consumer motivation can be achieved through Internet Marketing.

Key Words: ***Consumer Motivation, Financial Reporting, Internet Marketing.***

INTRODUCTION

In the last few years, the Internet and its applications have been increasingly used in modern banking operations. In developing countries like India, the Internet is used with increasing frequency for financial reporting. India is in the third position in the world for using Internet. In today's scenario where the whole world is treated as one market, transparency and timelines is one of the influencing factors and organisations are moving towards using the Internet as a communication device for the distribution of goods and services.

Banks use the Internet to deliver information about financial services, replace transactions done in branch office, which eliminates the need to build new branches and to service customers more efficiently. Internet banking sites offer the prospect of more convenient ways to manage personal finances and services such as

paying bills online, finding mortgage or automobile loans, applying for credit cards and locating the nearest ATM or branch office, etc. Some Internet banks also offer 24 hour telephone support. Customers can discuss their needs with banks' service representatives directly.

Bank have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. They have, over a long time, been using electronic and telecommunications networks for delivering a wide range of value added products and services. The delivery channels include direct dial-up connections, private networks, public network etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (www), Internet is increasingly used by banks as a channel for receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as Internet Banking, although the range of products and services offered by different banks very widely both in their content and sophistication.

Broadly, the levels of banking services offered through INTERNET can be categorized in to three types:

(i) The Basic Level Services is the banks websites which disseminate information on different product and services offered to customers and members of public in general. It may receive and reply to customer' queries through e-mail.

(ii) In the next level are Simple Transactional Websites which allow customers to submit their instructions, applications for different services, queries on their account balances, etc, but do not permit any fund-based transactions on their accounts.

(iii) The third level of Internet banking services are offered by Fully Transactional Websites which allow the customers to operate on their accounts for transfer of funds, payment of different bills, subscribing to other products of the bank and to transact purchase and sale of securities, etc. The above forms of Internet banking services are offered by traditional banks, as an additional method of serving the customer or by new banks, who deliver banking service primarily through Internet or other electronic delivery channels as the value added services. Some of these banks are known as 'virtual' banks or 'Internet only' banks and may not have any physical presence in a country despite offering different banking services.

Some of the distinctive features of i-banking are:

1. It remove the traditional geographical barriers as it could reach out to customers of different countries/legal jurisdiction. This has raised the questions of jurisdiction of law/supervisory system to which such transactions should be subjected,
2. It has added a new dimension to different kinds of risks traditionally associated with banking, heightening some of them and throwing new risk control challenges,
3. Security of banking transactions, validity of electronic contract, customers' privacy, etc., which have all along been concerns of both bankers and supervisors have assumed different dimensions given that Internet is a public domain, not subject to control by any single authority or group of users,
4. It poses a strategic risk of loss of business to those banks who do not respond in time, to this new technology, being the efficient and cost effective delivery mechanism of banking services.
5. A new form of competition has emerged both from the existing players and new players of the market who are not strictly banks.

The Regulatory and Supervisory concerns is i-banking arise mainly out of the distinctive features outlined above. These concerns can be broadly addressed under three broad categories, viz (i) Legal and regulatory issues, (ii) Security and technology issues and (iii) Supervisory and operational issues. Legal issues cover those relating to the jurisdiction of law, validity of electronic contract including the question of repudiation, gaps in the legal/regulatory environment for electronic commerce. On the question of jurisdiction the issue is whether to apply the law of the area where access to Internet has been made or where the transaction has finally taken place. Allied to this is the question where the income has been generated and who should tax such income. There are still no definite answers to these issues.

Security of i-banking transactions is one of the most important areas of concerns to the regulators. Security issues include questions of adopting internationally accepted state-of-the art minimum technology standards for access control, encryption/decryption (minimum key length etc), firewalls, verification of digital signature, Public Key Infrastructure (PKI) etc. The regulator is equally concerned about the security policy for the banking industry, security awareness and educations.

In India, too i-banking has taken roots. A number of banks have set up banking portals allowing their customers to access facilities like obtaining information, querying on their accounts, etc. Soon, still higher level of online services will be made available. Other banks will sooner than later, take to Internet banking.

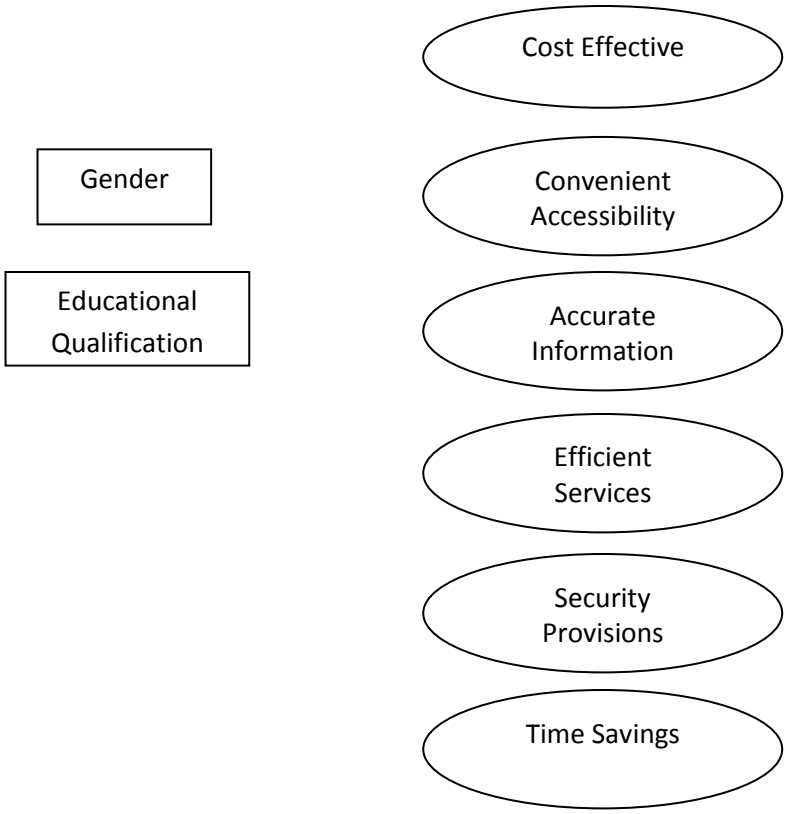
STATEMENT OF THE RESEARCH PROBLEM

The practice of banking has undergone significant transformation in the 1990s. While banks are striving to strengthen customer relationship and move towards 'relationship banking', customers are increasingly moving away from the confines of traditional branch banking and are seeking the convenience of remote electronic banking services. And even within the broad spectrum of electronic banking, the aspect of banking which has gained currency is virtual banking.

Broadly speaking, 'virtual banking' denotes the provision of banking and related services through extensive use of information technology without direct recourse to the bank by the customer. The origin of virtual banking in the developed countries can be traced back to the seventies with the installation of Automated Teller Machines (ATMs). Subsequently, driven by the competitive market environment as various technological and customer pressures, other types of virtual banking services have grown in prominence throughout the world.

It is possible to delineate the principal types of virtual banking services. These include Automated Teller Machines (ATMs). Shared ATM Networks, Electronic Funds Transfer at Point of Sales (EFTPoS), Smart Cards, Stored-Value Cards, Phone, Banking, and more recently, Internet and Internet banking. The salient features of these services are the overwhelming reliance on information technology and the absence of physical bank branches to deliver these services to the customers. Internet banking enables a customer to perform banking transactions through the bank's website. This is also called virtual banking, net banking or anywhere banking. It is like bringing the bank to one’s computer at the place and time of one's choice. This can be very useful, especially for banking outside bank hours through Internet access. In net banking, the financial statement can be viewed, printed or downloaded in any format for ease of analysis. Thus, the Internet as a service delivery channel shifts the control of transactions from the bank staff to the customers. Net bank customers find better information through websites than from human efforts taken by the banking staff. Therefore, it is necessary to study the views of customers about Internet banking. The Study will make a special effort to know the identification of factors motivating the customers for Internet banking. This study has made coverage of the relationship between the motivation factors of Internet banking and the socio-economic status of the customers.

Figure 1.1
Motivational Factors and Socio-Economic Status Relationship Module



Sorce: Selvakumar et al (2015) op. cit p.57

OBJECTIVE OF THE STUDY

The following are the objectives of the present study:

- To present an overview of Internet Banking in India,
- To analyse the motivational factors based on the demographic characteristics of the customers.

IMPORTANCE OF STUDY

Various studies reveal that demographic characteristics, internet access, awareness, customer education, cost-effectiveness and service quality were the most important factors in the adoption of Internet banking. Therefore, banks need to develop their Internet banking service according to demographic characteristics and the needs of the possible customers as well as existing customers to retain them and encourage higher usage of Internet banking services. While many of the research studies have regarded electronic banking services,

customer service in commercial banks, service quality in commercial banks and so on, the identification of factors motivating the customers for Internet banking is an untouched topic. This justifies the importance of this study.

HYPOTHESIS

The two-fold objectives of this work is to study the impact of demographic factors on the use of Internet banking services and explore the motivational factors encouraging the users towards Internet banking. Te study has made an attempt to test the following hypotheses:

H1: There is no impact of gender on various motivational factors for use of Internet banking services:

H2: There is no impact of age on various motivational factors for use of Internet banking services.

H3: There is no impact of educational qualification on various motivational factors for use of Internet banking services.

H4: There is no impact of category of employment on various motivational factors for use of Internet banking services.

H5: There is no impact of Monthly Income on various motivational factors for use of Internet banking services.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. The primary data has been collected from the customers of SBI in Darbhanga district with the help of pre-tested interview schedule and questionnaire respectively. The secondary data collected from the records of banks, published and unpublished books, journals, and reports, circulars issued by the Reserve Bank of India and through websites.

Darbhanga district of Bihar is chosen as the area of the study. It is not feasible to collect the data from customers of all the branches of banks scattered in the district. Therefore it is decided to use the sampling technique. We have used the proportionate random sampling method and 200 customers have been selected through the judgment sampling method.

The data has been analysed by using appropriate statistical techniques such as percentage, Garrett Ranking technique and Analysis of Variance Test (ANOVA).

The percentage technique has been used to express the opinion of the respondents. The Garrett Ranking Technique has been used to rank the motivational factors encouraging customers for Internet banking usage. In order to get a better understanding of the motivational features encouraging respondents for Internet banking usage, the impact of demographic factors like gender, age, income, occupation and education of the sample respondents have been analysed through ANOVA.

The Analysis of Variance Test has been used to know the influence of socioeconomic factors of customers on the motivational factors for using the Internet banking. The ANOVA technique enables one to perform this simultaneous test and as such is considered to be an important tool of analysis in the hands of a researcher. Using this technique, one can draw influences about whether the samples have been drawn from a population having the same means. The basic principles of ANOVA is to test for differences among the mean of the population by examining the amount of variation within each of these samples, relative to the amount of variation between the samples. Thus, while using ANOVA, the researcher has assumed that each of the samples is drawn from a normal population and that each of these populations has the same variance, assuming that all factors other than the one or more being tested are effectively controlled. In a one-way classification, the analysis of variance table takes the following form:

Sources of variation	**Sum of Squanes**	**Degrees of Freedom**	**Mean Square**	**Ratio of F**
Between Samples	SSC	V_1= (c-1)	MSC=SSC/(c-1)	
Within Samples	SSE	V_2= (n-c)	MSE=SSE /(n-c)	MSC/MSE
Total	SST	N-1		

Note: SST=Total Sum of Squares of Variations
SSC= Sum of Squares between Samples (Columns)
SSE= Sum of Squares within Samples (Rows)
MSC= Mean Sum of Squares between Samples
MSE= Mean Sum of Squares within Samples.

The calculated value of F are compared with the table values, If the calculated value of F is greater than the table value at the pre-assigned level of significance, the null hypothesis is rejected, otherwise accepted.

A Weighted Average Score has been used to rank the motivational factors and the factors such as time saving and convenient accessibility placed first and second respectively. The ANOVA test has been used t study the relationship between the socio-economic variables and the motivational factors.

CONCLUSION

There is urgent need for banks to classify the Customers and modify the features of services on the basis of needs of customers. The bank should introduce an efficient control system to ensure proper operations of the internet services and make the operations convenient to all customers. On the whole, the socio-economic status and motivational factors-wise mean score of the customer has given a new idea about the relationship between the socio-economic status and the motivational factors which can be helpful to frame policy about Internet Banking. Further, the current research can be used as a base for future research on the subject of Internet banking services.

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