

**A Study on Consumer's Attitude towards the Online Mobile Banking Facility in Vadodara City of Gujarat State**

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***Abstract***

*Due to the advancement of the technology and to mitigate with the speed of the fastest growing economy in the world, the online banking facility has gained the significant importance in the market. In today's scenario the consumers are using the online banking facility for the different reasons as per their needs and requirements. The advancement and significant progress that is being experienced in the Information and Communication Technology (ICT) have put about a lot of changes in almost all aspects of life. As far as the banking industry is concerned, it has been in the form of E-Banking or Online Banking or Internet Banking, which is now completely over casted the traditional banking mechanism. E-Banking has a lot of benefits which add value to enhance customers' satisfaction in terms of better quality of service offerings and concurrently enable the banks gain more competitive benefit over other competitors. This paper covers consumer belief and attitude toward the E banking and to have the proper understanding about it, the exploratory factor analysis (EFA) have been applied and it gives the concurrent reason for which the consumers are giving more preference to the online banking.*

***Key Words:****attitude and belief for Online Banking, Add ins of Online Banking, Reliance on Online Banking, Features of Online Banking*

***1. Introduction***

Electronic banking, often known as Internet banking, allows any user with a computer and a browser to access his bank's website and conduct any of the virtual banking tasks. The bank has a web-enabled central database in the online banking system. In the menu, you'll find all of the services that the bank allows you to use on the internet. There will be no physical identification for any branch once the bank's branch offices are connected through terrestrial or satellite networks. It would be a

borderless organization that could authorize banking at anytime, anywhere, and in any way. Electronic banking is one of the most widely used forms of E-commerce throughout the world. In basic terms, e-banking refers to the supply of banking goods and services via electronic means. As a component of simplicity and effectiveness, e banking can provide Informational, Communicative, and Transactional services.

## **2. Literature Review**

(*Omar, A. et.al, 2011*) defined that the promotion of online banking technology allowed banks to improve their operations by lowering costs effectively and efficiently in order to manage everyday banking transactions through the online banking channel. Customers are aided by the reduction of bank trips, since they may now conduct transactions through the internet or ATM machines rather than visiting the branches in person. According to the study conducted so far, the majority of bank clients are ignorant of online banking services and have a low level of trust in online banking services. Pakistan, in particular, lags behind emerging countries since many internet banking services are unavailable in Pakistan. Customers' perceptions, preferences, difficulties, and suggestions concerning internet banking in Pakistan are investigated in this study. Customers choose internet banking (IB) services over branch banking because of its dependability, convenience, speed, safety and security, cost efficiency, user-friendliness, and error-free system, according to the survey. In contrast, a parallel result reveals that security issues, a lack of trust and understanding, ATM machine issues, and other factors influence customers' decisions to use internet banking services. Customers in this research found that services that are not available in Pakistan, such as cash depositing through ATM machines, "SMS/E-mail Alert" service, transfer money through ATM machines, and payment of utility bills through the internet, are the most required / demanded services. This study will assist banks in determining how they can enhance the quality of online banking services in Pakistan, as well as what possible issues or services should be introduced in society to better serve customers and compete with their competitors in the banking sector.

*Amutha, D. (2016)*. Defined that the study discusses consumer perceptions of e-banking systems as well as consumer awareness of e-banking systems, with a focus on Tamilnadu's Tuticorin District. Data for this study was gathered from both primary and secondary sources. The sample is chosen at random. The information was gathered between April and June of 2015. Various statistical methods were employed to analyze the data gathered from the main source, including basic percentage analysis, averages, F-Statistic, chi square test, and probability analysis. Books, journals, newspapers, the internet, and magazines were used to gather secondary data. It is estimated that 36.67 percent of

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respondents have an income of up to Rs. 1,00,000, 52.22 percent have an income of Rs. 1,00,001 to Rs. 3,00,000, and 11.11 percent have an income of more than Rs. 3,00,000, with an average income of 167222. Customers' views on future expectations are revealed in the survey. Majority (58.89%) of the sample respondents stated that they would want to conduct their banking activities in a core banking environment that does not require any technological intervention such as computer connection, and 23.33 percent of the sample respondents expect the bank to offer security. Reasonable has been expressed by 17.78 percent of the survey respondents on which the charges that have to be imposed.

(*Vinayagamoorthy, D. A., & Ganesan, M., 2015*) defined that the Consumer service expectations, operational cost reduction, and competition management are the three most pressing challenges confronting banks today. As a result, banks are looking into new financial products and services that will help them expand their present customer base. Furthermore, each new financial product or service offered by a bank will be inextricably linked to technology. Only technology can assist banks in achieving these goals. As a result, information technology has recently evolved from a business facilitator to a business driver. Modern banking is no longer limited to branch locations. Consumers in India now have access to a variety of financial services, including telebanking, mobile banking, Internet banking, PC banking, and ATM banking. In India, internet banking is one of the most recent options. It has the main features and services that are meant to increase consumer retention and adoption while emphasizing system security. Internet banking delivers the online experience that separates our financial institution from its competitors, from basic account review to complex money transfer and self-service features. Modern banking is no longer limited to branch locations. Consumers in India now have access to a variety of financial services, including telebanking, mobile banking, Internet banking, PC banking, and ATM banking. In India, internet banking is one of the most recent options. It has the main features and services that are meant to increase consumer retention and adoption while emphasising system security. Internet banking delivers the online experience that separates our financial institution from its competitors, from basic account review to complex money transfer and self-service features.

### **3. Research Methodology**

#### **3.1. Identification of Problem**

The basic problem that this study attempted to identify is the consumer's attitude toward online banking, as well as the problems and challenges that they have faced in the market to effectively use

to provide fast economic growth by making instant money transfers while maintaining transparency and security.

### **3.2. Scope and Significance of the Study**

The study's major goal is to discover consumer perceptions of online banking facility usage from a diverse group of users in order to investigate their attitudes and awareness of the online banking facility. By examining several demographic characteristics in Vadodara City of Gujarat State, the study attempted to determine whether there is any bias or influence toward the use of internet banking in the state.

### **3.3. Objectives of the Study:**

1. To find out the different factors of consumer perception towards the Online Banking Facility in Vadodara City of Gujarat State.
2. To study the significant influence of Demographic profile of consumers on the factors responsible for usage of online banking facility.

### **3.4. Significance of the Study:**

The study will aid in identifying the most important factors in Gujarat that have a significant impact on the use of online banking, as well as the significance differences between various demographic profiles of consumers in Gujarat and factors that represent consumer perceptions of online banking usage.

### **3.5. Variable of the study:**

**Dependent Variable of the Study:** Factors affecting the perception of consumers towards online Banking facility in Gujarat i.e. “Add ins of Online Banking: “Trust of Online Banking”, “Features of Online Banking””.

**Independent Variable of the Study:** Various demographic profile of a Consumer like Age, Gender, Annual Income and Occupation in Vadodara City of Gujarat State.

### **3.6. Limitation of the Study:**

1. This study is limited to only state of Vadodara city of Gujarat State and if this study will be conducted at State level on National level then the result might be having the difference of opinion.
2. Not all customers are willing to share information about their banking transactions.

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3. This study is only restricted up to the few parameters of online banking i.e. Attitude of online banking customers. There are various other parameters also which we can study that has not been covered in this particular study.

**4. Data Analysis and Interpretation**

**Table 1 Normality Table for Attitude of Online Banking Consumers**

Tests of Normality						
	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<i>Precision</i>	.213	141	.000	.817	141	.000
<i>Due Care</i>	.248	141	.000	.865	141	.000
<i>Privacy</i>	.203	141	.000	.869	141	.000
<i>Right Function</i>	.248	141	.000	.848	141	.000
<i>Easiness</i>	.258	141	.000	.796	141	.000
<i>Cheaper</i>	.231	141	.000	.869	141	.000
<i>Operational</i>	.264	141	.000	.796	141	.000
<i>Well-organized</i>	.315	141	.000	.708	141	.000
<i>Adjustable</i>	.261	141	.000	.809	141	.000
<i>Secured</i>	.221	141	.000	.848	141	.000
<i>Quick Transaction</i>	.225	141	.000	.815	141	.000
<i>Time Maintenance</i>	.221	141	.000	.894	141	.000
<i>Reliable</i>	.237	141	.000	.864	141	.000
<i>Faith on FacilitySupplier</i>	.218	141	.000	.843	141	.000
<i>Faith on Technology</i>	.238	141	.000	.875	141	.000
<i>Faith on Method</i>	.258	141	.000	.841	141	.000
<i>Faith on Information</i>	.239	141	.000	.852	141	.000
<i>Stress-freeAvailability</i>	.231	141	.000	.821	141	.000
<i>Transaction Chasing</i>	.263	141	.000	.841	141	.000
<i>Transparency</i>	.248	141	.000	.895	141	.000
<i>Flexibility</i>	.375	141	.000	.752	141	.000
<i>Banking Supervision&amp;handbook</i>	.236	141	.000	.840	141	.000

(Sources: SPSS Output)

**H0:** Data follows Normal Distribution

**H1:** Data does not follow Normal Distribution

From the above Table of Normality Tests for Statements Supporting Consumer Attitudes of Online Banking Using the Kolmogorov Smirnov Test, we can see that all of the statements have a significant P value less than 0.05, indicating that we must reject the null hypothesis and conclude that the data is not normal. The total responses that have been covered under this study is 142 from the Vadodara City of Gujarat State.

**Table 2 Reliability (Cronbach's Alpha) Table**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.875	24

(Sources: SPSS Output)

From the above Table 2, it can be concluded that the Cronbach's Alpha is having the value 0.875 which is higher than 0.7. As a result, the data has a high level of dependability, allowing for a more in-depth investigation of the factors influencing consumer perceptions of online banking in Gujarat.

**Table 3 KMO & Bartlett Test of Sphericity**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.825
Bartlett's Test of Sphericity	Approx. Chi-Square	3480.537
	df	287
	Sig.	0.000

(Sources: SPSS Output)

The KMO and Bartlett tests of sphericity, which are the first and primary requirements for running the factor analysis and aid in evaluating the data's suitability, are included in the above Table of 3. The KMO value is 0.825, and the Sphericity is 0.000, which is adequate to conduct the factor analysis since the data follows the “Meritorious Adequacy” to run the factor analysis, as shown in the diagram.

**Table 4 Total Variance Explained (Varimax)**

Total Variance Explained
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Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.43	55.368	31.405	6.43	55.36	31.405	6.43	28.405	31.405
2	4.22	10.923	54.018	4.22	10.92	54.018	4.22	22.613	54.018
3	1.98	8.148	66.430	1.98	8.148	66.430	1.98	12.412	<b>66.430</b>
4	.677	2.785	77.342						
5	.613	2.654	80.064						
6	.547	2.384	82.426						
7	.425	1.874	84.363						
8	.413	1.712	86.132						
9	.367	1.345	87.715						
10	.338	1.125	89.076						
11	.314	1.154	90.340						
12	.274	1.112	91.514						
13	.261	1.135	92.621						
14	.231	.874	93.588						
15	.224	.847	94.529						
16	.203	.861	95.392						
17	.187	.751	96.162						
18	.181	.745	96.924						
19	.148	.548	97.589						
20	.138	.526	98.181						
21	.128	.536	98.740						
22	.114	.415	99.227						

(Sources: SPSS Output)

As can be seen in Table 5, the total variable retrieved from the factor analysis is three, and these three variables influence consumer perceptions of online banking in Gujarat. The overall sum of squares from the factor loading is 66.430, which implies that these three factors account for 74.44 percent of the data in these 24 statements while also accounting for 33.57 percent of the data in these 22 statements.

**Table 5 Factors for Online Banking with Specification of Supporting Statements**

<b>Rotated Component Matrix</b>			
	<b>Component</b>		
	<b>1</b>	<b>2</b>	<b>3</b>
<i>Precision</i>	.716		
<i>Due Care</i>	.748		
<i>Privacy</i>	.641		
<i>Right Function</i>	.745		
<i>Easiness</i>	.815		
<i>Cheaper</i>	.718		
<i>Operational</i>	.836		
<i>Well-organized</i>	.852		
<i>Adjustable</i>	.752		
<i>Secured</i>	.547		
<i>Quick Transaction</i>	.836		
<i>Time Maintenance</i>	.763		
<i>Reliable</i>			.769
<i>Faith on Facility Supplier</i>			.828
<i>Faith on Technology</i>			.832
<i>Faith on Method</i>			.817
<i>Faith on Information</i>			.758
<i>Stress-free Availability</i>		.736	
<i>Transaction Chasing</i>		.747	
<i>Transparency</i>		.722	

(Sources: SPSS Output)

The above table shows the overall statement generated through factor analysis, as well as the communalities score for each statement, which represents the specific factor for each statement. It

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can be observed that all three assertions reflect communalities greater than 0.7, which is a good measurement to back up that specific component.

**Table 6 Test of Normality for the factors**

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Add ins of Online Banking	.124	141	.000	.891	141	.000
Reliance on Online Banking	.139	141	.000	.938	141	.000
Features of Online Banking	.074	141	.000	.948	141	.000

(Sources: SPSS Output)

The Normality Test for the Factors Affecting Consumer Perceptions of Online Banking in Gujarat State is shown in Table 6, and it can be seen that all three factors have a Significant Value less than 0.05, which means we must reject the null hypothesis and conclude that all three factors are not normal. It can be seen that all the three factors are having the Significant value less than 0.05 which is less than 0.05 which means we need to reject the null hypothesis and it conclude that all the factors are not normal and to find out the significant difference of these factors with the demographic profile of the consumer we need to apply the Non Parametric Test for the study.

**Table 7 Non Parametric Test (Demographic factors & Factors of Online Banking)**

Demographic Factors	Add ins of Online Banking	Reliance on Online Banking	Features of Online Banking	Test Applied
Age	<b>0.001</b>	<b>0.042</b>	<b>0.003</b>	<b>Kruskal Wallis Test</b>
	Significant Difference	Significant Difference	Significant Difference	
Gender	0.963	<b>0.035</b>	0.877	
	No Significant Difference	Significant Difference	No Significant Difference	
Education	0.647	0.193	0.733	
	No Significant Difference	No Significant Difference	No Significant Difference	
Occupation	0.548	0.129	<b>0.028</b>	
	No Significant	No Significant	Significant	

	Difference	Difference	Difference	
<b>Annual Income</b>	<b>0.048</b>	<b>0.018</b>	0.789	
	Significant Difference	Significant Difference	No Significant Difference	

(Sources: SPSS Output)

**H0:** There is no significant difference between the demographic profile of Consumers and Factors affecting attitude of Consumers towards Online Banking in Vadodara city of Gujarat State.

**H1:** There is significant difference between the demographic profile of Consumers and Factors affecting attitude of Consumers towards Online Banking in Vadodara city of Gujarat State.

From the above Table 7 of Non Parametric Test among the demographic profile of consumer in Vadodara city of Gujarat state and factors affecting their attitude of consumers towards online banking usage, there is significant difference between the Age and all the factors affecting the attitudes of consumers towards the online banking usage i.e. Add ins of online banking usage, Reliance on online banking and Features of online banking. On the other hand Gender has a significant influence with the Reliance on online banking, Occupation of Online banking consumer has a significant influence on Features of online banking and Annual Income of Online banking consumers has a significant influence on the Reliance on online banking and features of online banking.

**5. Finding and Conclusion**

According to the results of the study, there are basically three variables that indicate their view of online banking in Gujarat State, out of the total statements that have been asked to verify their perception of online banking i.e. Factor 1: Add ins of Online Banking, Factor 2: Reliance on Online Banking and Factor 3: Features of Online Banking. The study next sought to determine if demographic characteristics had a substantial influence on factors influencing attitudes toward internet banking. It has been seen that Age has the significant influence on the all the factors responsible for the specific attitudes of the consumers towards the online banking in the Vadodara city of Gujarat state. Gender has a significant influence on the Reliance on Online banking, Occupation has a significant influence on the features of online banking and Annual Income has significant influence on the Add ins of online banking and Reliance on online banking.

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