

## **CONSUMER ATTITUDE AND BEHAVIORAL INTENTIONS TOWARD INTERNET BANKING**

**Arushi Garg Sethi**

Assistant Professor, CBSA, Chandigarh Group of colleges, Landran

**Priyanka Kamboj**

Assistant Professor, CBSA, Chandigarh Group of colleges, Landran

**Manisha Duggal**

Assistant Professor, CBSA, Chandigarh Group of colleges, Landran

**Shruti Kalia**

Assistant Professor, CBSA, Chandigarh Group of colleges, Landran

**Kirti Prashar**

Assistant Professor, CBSA, Chandigarh Group of colleges, Landran and Research Scholar,  
University School of Business, Chandigarh University

### **Abstract**

**Purpose-** This study's objective is to shed light on customer behavior and attitude towards online banking services, about the risk attached with online banking, social influence and website designing.

**Method-** Data analysis findings support some of the hypotheses derived from the literature. The approach followed was quantitative and research design was descriptive from the group of 110 individuals, data were gathered using questionnaire technique.

**Finding-** Determinants of Consumer behaviors were selected as Trust, Well Designed Website, Perceived Enjoyment, Social Impact, and alleged Risk which was based on evaluative review of literature. It was shown in hypothesis the significance of all the variables has significant influence on consumer attitude towards online Banking.

**Originality-** By embracing trust, attitude and risk perceptions, this research adds to the corpus of Internet banking material already available. It has been discovered and investigated that website design and user experience had a great impact on influencing the use of electronic banking in the Indian context. The review has also been made regarding the expansion of online banking services in the market.

**Key Words** – Internet Banking, E Banking, Consumer Attitude, Behavioral Intentions

### **I) Introduction**

The tremendous change has been shown by the Information and communication technology (ICT) for providing the financial services in retail and general services not only in developing countries like India but also in developed countries. The ICT sector has helped the banking sector in delivering the services to the customers according to their need and preference. With the help of online banking it is able to serve the customers better and additionally aids in

establishing competitive position by increasing the efficiency of the banks (Mann and Sahni, 2012). The study examined the effective delivery mode in the banking system which was introduced in 1994, has drawn attention not only from the financial services but also from the business organization. (Furst 2002). The E-Banking is considered as substitute to distribution channels which provide satisfaction to the banks and customers both. The Internet banking avail number of advantages like retaining the customers, effective and efficient, lower transaction cost and widening the size of the market. Consumers also avail the specific advantages of electronic banking like availability, usefulness, receptiveness, time and cost saving. (Shanbaug, 2013).

Only with assistance of customers, who must demonstrate their appreciation in addition to the standard of building facilities accessible, can the effectiveness in the deliverance of services in Internet banking be accomplished. E- banking utilization grew in India from 1% in 2006 to 7% in 2011, according to a McKinsey study (Banktech India, 2011). According to a different McKinsey poll from December 2012 (Gnanasambandam et al., 2012), India has about 12 crore users of Internet, making it the 3rd largest country in the globe. The study also focused on the fact that the ratio of the customers using the Internet has increased from 330 million to 370 million in 2015. It has been predicted that India stood at the second position in the world and the greatest additional increase. Internet World Stats (Miniwatts Marketing Group, 2012) estimates that 240 crore people use the banking internet worldwide, with 137 million of those people located in India. In June 2013, about 190 million people are using Internet 190 million Internets, and by the end of October, the number had risen to 205 million. By December 2013, there would be 213 million people using Internet, The research conducted by Mobile and Broadband Association of the country. Even though other developing and developed countries are adopting the Internet more rapidly than India, only 83 percent of its population is online at the moment. (Miniwatts Marketing Group, 2012). India is obviously considered a prospective market as a result.

There are still very few individuals choosing Internet banking in India, despite the country's rapid growth in Internet consumers. Although it was anticipated that only 50% of the users in India were using the internet by the end of 2012, the actual number of users lagged far behind predictions. According to a Reserve Bank India (RBI) estimate, only 1% of Internet consumers were actively using online banking in 1998, But in 2000, that figure increased to 17%. (Reserve Bank of India, 2014). This depicts how the popularity of internet banking has grown gradually since its introduction in India..

The growth of online banking had a considerable influence for the expansion of banking services. With the help of E-Banking, the constraints of space and time have vanished. Customers may utilise financial services at any place in the country and instantly access their bank accounts around-the-clock, any day of the week. Internet banking thus offers a number of advantages to both consumers and institutions. (Karjaluo, Mattila and Pentto, 2002). The primary benefit of banking via the internet is that it has made it possible to lower maintenance costs, something that was previously impossible with traditional banking. E-Banking has demonstrated a significant advantage to the customers as it helps in conserving a lot of time, money, and space. It also improves service delivery, which makes financial services simpler

and quicker.

The banks have made a lot of investment in providing Internet banking services which are totally dependent upon the customer usage and their acceptance. If banks want customers to use online banking regularly, they must first and foremost comprehend what the client needs in terms of attitude, perception, and behavioral intention while utilizing this technology. Thus, it is pertinent that the current research be carried out to determine the impact of beliefs, specifically, confidence, a well-designed website, pleasure, and societal influence, viewed in using Internet banking. Additionally, the research is being done to see what impact customer perception has on how willing consumers are to use Internet banking services.

### **1.1 Research Problem**

However, in all parts of the country we can see that equal acceptance has not been given to technology. There exist many other important things as well which can be taken into consideration such as if the number of customers usage is more in the retail banking than the operation cost gets reduced and it totally depends upon the percentage of the retail bank customers. For those who are planning and promoting new financial forms in the cutthroat market, these factors are crucial. Internet banking has revolutionized the financial sector globally and become a focus of numerous academic investigations. However, India has never had a sufficient body of writing on the subject.

## **2) Literature Review (hypothesis wise)**

### **2.1 Consumer attitude towards internet banking**

Both the terms "Internet Banking" and "E-Banking" are used in addition. One of the main components of electronic financing is e-banking. The first bank to introduce digital revolution in banking 1997 was ICICI Bank. In 1996, ICICI launched internet banking. E-banking was described as web-based banking (Hertzum et al. in 2004). E-banking has the ability to lower maintenance costs because it utilizes a web browser as the user interface and the Internet for data transfer and programme downloads. E-banking offers customers up-to-date information and round-the-clock access to financial services. Transferring money between one's own accounts, paying expenses, and reviewing account balances are the main services offered by e-banks. These fundamental services are being supplemented by loans, brokerage, share dealing, service aggregation, and a wide range of other financial services. (Dewan & Seidmann, 2001). One significant way that consumers who shop online vary from the general populace is that they possess or have possession of computers. (Berkowitz 2000). Altogether, new markets, goods, technologies have emerged, opening doors for those novel customer behaviour patterns that the traditional marketing disciplines are unable to analyse effectively. However, every Internet/Web consumers would not use the machinery in the same manner, and not all of them are probably online shoppers. This indicates that different Internet consumers have different online behaviours. Based on two dimensions—the degree to which and the motivation behind their use of the Internet (Berkowitz) names around ten different web user characteristics, that demonstrate the diversity of Internet/Web users. The possible cost reductions from keeping a conventional branch network is one benefit of banks moving online. According to Turban et al. (2000), customers find Internet banking to be very advantageous due to the cost, time, and

space savings it provides, the fast resolution of customer complaints, and the enhanced services it offers. All of these advantages make banking simpler for customers. A person develops an attitude towards particular things based on their beliefs, and from that attitude develops an intention for how they should act in relation to that object. The only factor affecting how someone actually behaves is their desire to do so. (Vijayan et, al 2005). Author modified TRA by elaborating two central ideas that specifically take into consideration the use of information systems. Perceived utility, which is the initial of these beliefs, is described "degree to which an individual thinks that using a specific system will improve his or her job performance." (Davis, 1989) D.Ramani (2007). examined variables like cost transactions, money inquiries, and other services. He claimed that both clients and lenders profit from mobile phone banking. He advised bankers to use alternative lines of service and the advantages of technology to persuade unhappy clients. Leo Pointon et, al (2007). The legitimacy, correctness, and completeness of online banking frauds and risks were examined. He came to the conclusion that the sections of the penal code for criminal violation of trust should be used to pursue plea negotiations, accusations being changed, and a dearth of I. Bashir and C. Madhavaiah (2015). The study's objective is to clarify the various components that has impact on consumers' point of view and their behavior to utilize Internet services, with a focus on importance of calculated risk, confidence, enjoyment and social impact as well.

## **2.2 Behavioural Intentions towards internet banking**

The degree to which a behaviour's achievement is regarded favourably or unfavourably is known as attitude towards behaviour. (Omotayo, 2015). According to Shanmagam, Savarimuthu, and Wen (2014), mindset predicts online banking usage and it has positive impact on users' intentions to utilise the service. In addition, Alshbiel and Ahmad (2016) concerns an individual's attitudes for the acceptance of internet banking constitute their attitude in the setting of digitalization. Ezzi (2014) backs up the claim by claiming that approval will rise with an optimistic attitude while it will fall with a negative attitude. According to Teo and Zhou (2014), a person's conduct in using technology is controlled by their thinking. It has been observed that the people had shown positive behaviour towards the utilization of e-banking services. (Aldhmour & Sarayrah, 2016). A person is more likely to utilise internet banking if they have a good perspective towards it, claim Marakarkandy (2017). Bingwa, Siphamandla (2006) The study's goal is to determine how much perceived utility and perceived web-based anonymity affect attitudes and behaviour related to online banking. According to Das, Dash (2017), the primary motivation for using e-banking services is that users may find helpful when carrying out their operations, which fosters a favourable perception of the practise. According to Gajanayake (2013), mindset consequently influences customers' behavioural intentions with regard to online banking. If consumers in Generation Y find internet banking helpful due to the good results, they will have a positive outlook, which will contribute towards the acceptance of banking services. (Faezeh, 2014). According to Deventer, De Klerk, and Bevan-Dye (2017), Generation Y will adopt a favourable mindset regarding online banking if it enables them to conduct their banking activities efficiently and effectively and offers a useful perk while using these services. (Saralaya 2017). According to Gill et al. (2015), people might be concerned regarding the unpredictability of using digital banking services. With that said, it can be claimed that online anonymity may have a significant impact on people's attitudes towards online banking and behavioural intentions. If people believe that the usage of banking

online is safe and secure, than it is necessary to prepare the mindset of the people so that they can opt for it. According to Raza (2015) (Bashir 2015).Gill et al. (2015) contend that in order to encourage people, such as Generation Y, risk should be mitigated in regard to online financial operations.

**3) Research Methodology**

**3.1 Research Design:** They followed was quantitative approach and research design was descriptive. Descriptive designs help to describe the population based on few sample statistics hence which was preferred in the research. The collection of data was done through structured questionnaire, hence, was primary.

**3.2 Sampling Design and Sampling Unit:** An organized survey for gathering raw data from Northern India, Internet banking consumers using questionnaire technique. From the group of 110 individuals, data were gathered. Reliability analysis was done to remove the ambiguity.

**3.3 Objectives of the study:**

1. To understand internet banking and its evolution.
2. To investigate the impact of consumer attitude towards internet banking
3. To analyze the relationship between consumer attitude and consumer behavioral intentions towards internet banking

**3.4 Hypothesis**

- H1 Trust significantly influences how people feel about using IBS.
- H2 A well-designed website significantly influences how users feel about using IBS.
- H3 Perceived delight significantly influences how customers feel about using IBS.
- H4 The intention of customers to utilise IBS is significantly positively impacted by social influence.
- H5 Perceived risk significantly influences how consumers feel about using IBS in a direct and negative way.
- H6 Attitude significantly influences customers' behavioural intention to utilise IBS in a positive and direct manner.

**3.5 Reliability Analysis**

Determinant	No of Items	Cronbach's Alpha	Sig/Non Sig
Trust	2	0.781	Sig
Well Designed Website	3	0.828	Sig
Perceived Enjoyment	3	0.919	Sig

Social Influence	2	0.795	Sig
Perceived Risk	3	0.788	Sig
Attitude	4	0.995	Sig

As depicted in above table no 1 .Cronbach's alpha value for coefficient ( $\alpha$ ) fpr each variable is above the threshold value of 0.70 thus all the variables are found significant and reliable.

**4) Data Interpretation and Analysis**

**Hypothesis 1**

H0 Trust significantly does not how people feel about using IBS

H1 Trust significantly influences how people feel about using IBS

**Table 2 Chi sq Trust \* Consumer Attitude**

Table 2 Chi sq Trust * Consumer Attitude			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4760.000	1124	.000
Likelihood Ratio	651.080	1124	1.000
Linear-by-Linear Association	117.000	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and the alternative hypothesis H1, which asserts that Trust significantly influences how people feel about using IBS, is accepted. This is because the p value for the variable trust and consumer attitude is 0.00, which is less than 0.05.

**Hypothesis 2**

H0 A well-designed website does not influences how users feel about using IBS

H2 A well-designed website significantly influences how users feel about using IBS

<b>Table 3 Chi sq Well designed website* Consumer Attitude</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	1325.887	1076	.000
Likelihood Ratio	371.716	1076	0.987
Linear-by-Linear Association	25.672	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and the alternative hypothesis H2, which states that a well-designed website significantly influences how users feel about using IBS is accepted. This is demonstrated in Table 3 above, where the p value for the variable well-designed website and consumer attitude is 0.00, which is less than 0.05.

**Hypothesis 3**

H0 Perceived delight does not influence how customers feel about using IBS

H3 Perceived delight significantly influences how customers feel about using IBS

<b>Table 4 Chi sq Perceived Enjoyment * Consumer Attitude</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	1106.630	1015	.023
Likelihood Ratio	454.304	1015	1.000
Linear-by-Linear Association	24.273	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and the alternative hypothesis H3, which states Perceived

delight significantly influences how customers feel about using IBS, is accepted. This is demonstrated in Table 4 above where the p value for the variable perceived enjoyment and consumer attitude is 0.00, which is less than 0.05.

**Hypothesis 4**

H0 The intention of customers to utilise IBS is not impacted by social influence.

H4 The intention of customers to utilise IBS is significantly positively impacted by social influence.

<b>Table 5 Chi sq Social influence * Consumer Attitude</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	1817.025	1505	.000
Likelihood Ratio	536.031	1505	1.000
Linear-by-Linear Association	27.647	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and alternative hypothesis H4, which states that The intention of customers to utilise IBS is significantly positively impacted by social influence, is accepted. This is because, as shown in table 5 above, the p value for the variable social influence and consumer attitude is 0.00, which is less than 0.05.

**Hypothesis 5**

H0 Perceived risk does not influences how consumers feel about using IBS in a direct and negative way.

H5 Perceived risk significantly influences how consumers feel about using IBS in a direct and negative way.

<b>Table 6 Chi sq Perceived Risk * Consumer Attitude</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	2415.035	1703	.000



Likelihood Ratio	438.276	1703	0.899
Linear-by-Linear Association	19.241	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and alternative hypothesis H5, which states that Perceived risk significantly influences how consumers feel about using IBS in a direct and negative way, is accepted. This is because, as shown in table 6 above, the p value for variable social influence and consumer attitude is 0.00, which is less than 0.05.

**Hypothesis 6**

H0 Attitude does not influences customers' behavioural intention to utilise IBS in a positive and direct manner.

H6 Attitude significantly influences customers' behavioural intention to utilise IBS in a positive and direct manner.

<b>Table 7 Chi sq Attitude * Consumer Behavioural Intentions</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	3284.264	1405	.000
Likelihood Ratio	359.284	1405	0.985
Linear-by-Linear Association	27.361	1	.000
N of Valid Cases	110		

The null hypothesis H0 is rejected and alternative hypothesis H6 is accepted, which states that attitude has a significant positive direct effect on consumers' behavioural intention to use IBS. This is demonstrated in table 7 above, where the p value for the variable consumer attitude and consumer behavioural intentions is 0.00, which is less than 0.05.

### 5) Discussion

The ICT sector has helped the banking sector in delivering the services to the customers according to their need and preference. With the help of internet banking it is able to serve the customers better and also helps in achieving competitive position by making the banks more efficient. Determinants of Consumer behavior were selected as Trust, Well Designed Website, Perceived Enjoyment, Social Influence, and Perceived Risk on the basis of systematic review of literature. It has been proved in hypothesis that all the variables have significant influence on consumer attitude towards Internet Banking. Banks thus need to work on improving the website design to provide consumers with smooth functioning of the internet portal. Attributes of consumer attitude including Perceived Enjoyment, Social Influence, and Perceived Risk also influence their attitude towards internet banking. Thus marketers need to study the consumer attitude in order to influence and motivate them to use Internet banking. Attitude further influences the consumer behavioral intention to use internet banking.

### 6) Conclusion

The main aim of the study was to gather data about the attitude and behavior of consumers towards internet banking, concentrating more on the risk about internet banking, website designing and social impact. For the economic development of the nation banking is considered as the integral part. With the advent of globalization around 1990 the banking sector has changed tremendously. With the passage of time the banking sector has evolved from the clustered and clumsy place into a place which is now considered as sophisticated as most of the transactions are carried out through internet banking. With IBS people can do transactions 365 days of the year at any given point of time by sitting at their home. Therefore it is needed to do the consumer behavior analysis to know about their satisfaction level towards the internet banking. Various hypotheses have been tested to know about the consumer behavior towards IBS. Determinants of consumer behavior included in study, Trust, Well Designed Website, Perceived Enjoyment, Social Influence, Perceived Risk and Attitude have significant influence on consumer attitude towards Internet Banking.

### References-

- Aldhmour, F., & Sarayrah, I. (2016). AN INVESTIGATION OF FACTORS INFLUENCING CONSUMERS' INTENTION TO USE ONLINE SHOPPING: AN EMPIRICAL STUDY IN SOUTH OF JORDAN. *The Journal of Internet Banking and Commerce*, 21(2).
- Ahmad, M. A., & Alshbiel, S. E. (2016). Women in Jordanian banks and performance: Financial accounting measurement. *Risk Governance and Control: Financial Markets and Institutions*, 6(3), 5-15.
- Arunkumar, S. (2008). A study on attitude and intention towards internet banking with reference to Malaysian consumers in Klang Valley region. *International Journal of Applied Management and Technology*, 6(1), 5.
- Bashir, I., & Madhavaiah, C. (2015). Consumer attitude and behavioural intention towards Internet banking adoption in India. *Journal of Indian Business Research*, 7(1), 67-102.
- Bingwa, S., Roberts-Lombard, M., & Jaiyeoba, O. (2018, April). Attitude and Behavioural Intention towards Internet Banking Adoption of Generation Y Customers—An Emerging Market Perspective. In *The 2018 Annual Conference of the Emerging Markets Conference*

Board (p. 1). Wits Business School.

Berkowitz, E. N., Kerin, R. A., Hartley, S. W., & Rudelius, W. (2000). Interactive Marketing and Electronic Commerce. *Marketing*, 205-209.

comScore (2011) comScore Whitepaper: The 2010 Europe Digital Year in Review [Online]. Available:

[http://www.comscore.com/Press\\_Events/Presentations\\_Whitepapers/2011/2010\\_Europe\\_Digital\\_Year\\_in\\_Review](http://www.comscore.com/Press_Events/Presentations_Whitepapers/2011/2010_Europe_Digital_Year_in_Review) [10 March 2011].

Das, J. R., Dash, M., Sahoo, A., & Mohanty, A. K. (2017). An empirical study on customers' internet Banking behavior. *International Journal of Management, IT and Engineering*, 7(7), 218-226.

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS quarterly*, 319-340.

Dewan, R., & Seidmann, A. (2001). Current issues in e-banking: introduction. *Communications of the ACM*, 44(6), 31-32.

Ezzi, S. W. (2014). A theoretical Model for Internet banking: beyond perceived usefulness and ease of use. *Archives of business research*, 2(2), 31-46.

Furst, K., Lang, W. W., & Nolle, D. E. (2002). Internet banking. *Journal of Financial Services Research*, 22, 95-117.

Gajanayake, R., Sahama, T., & Iannella, R. (2013, October). The role of perceived usefulness and attitude on electronic health record acceptance. In 2013 IEEE 15th International Conference on e-Health Networking, Applications and Services (Healthcom 2013) (pp. 388-393). IEEE.

Gnanasambandam, A., Paull, J., Torres, A., Kaur, S., Leonforte, T., Li, H., ... & Materne, M. (2012). Impact of molecular technologies on faba bean (*Vicia faba* L.) breeding strategies. *Agronomy*, 2(3), 132-166.

Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & society*, 39(3), 254-280.

Hauswirth, R., Haase, B., Blatter, M., Brooks, S. A., Burger, D., Drögemüller, C., ... & Leeb, T. (2012). Mutations in *MITF* and *PAX3* cause "splashed white" and other white spotting phenotypes in horses. *PLoS genetics*, 8(4), e1002653.

Hertzum, M., Jørgensen, N., & Nørgaard, M. (1). Usable Security and E-Banking: ease of use vis-a-vis security. *Australasian Journal of Information Systems*, 11(2). <https://doi.org/10.3127/ajis.v11i2.124>

India, B. (2011). Internet banking in India sees sevenfold increase from 2007.

Karjaluoto, H., Mattila, M. and Pentto, T. (2002). Factors underlying attitude formation towards online banking in Finland. *International Journal of Bank Marketing*, 20, 261-72.

Mann, B.J.S. and Sahni, S.K. (2012), "Profiling Adopter Categories of Internet Banking in India: and Empirical Study", *Vision: The Journal of Business Perspective*, Vol. 16 No. 4, pp. 283-295.

Marakarkandy, B., Yajnik, N., & Dasgupta, C. (2017). Enabling internet banking adoption: An empirical examination with an augmented technology acceptance model (TAM). *Journal of Enterprise Information Management*.

Omotayo, F. O. (2015). Knowledge Management as an important tool in Organisational Management: A Review of Literature. *Library Philosophy and Practice*, 1(2015), 1-23.

- Prashar, K., & Sharma, A. (2019). Contemporary Issues In Management. *Think India Journal*, 22(27), 117-120.
- Prashar, K., & Gupta, L. (2019). Impact Of Organizational Climate On Employee Efficiency And Productivity. *Think India Journal*, 22(14), 14452-14456.
- Radhakrishna, G., & Pointon, L. (2007). Fraud in internet banking: a Malaysian legal perspective. *The IUP Journal of Bank Management*, 6(1), 47-62.
- Raza, S. A., Jawaid, S. T., & Hassan, A. (2015). Internet banking and customer satisfaction in Pakistan. *Qualitative Research in Financial Markets*.
- Shanbaug, A. (2013). How net banking helps you save on time, effort and money (Economic Times Bureau).
- Shih, Y. Y., & Fang, K. (2004). The use of a decomposed theory of planned behavior to study Internet banking in Taiwan. *Internet research*, 14(3), 213-223.
- Stojmenovic, I., & Wen, S. (2014, September). The fog computing paradigm: Scenarios and security issues. In 2014 federated conference on computer science and information systems (pp. 1-8). IEEE.
- Teo, T., & Zhou, M. (2014). Explaining the intention to use technology among university students: A structural equation modeling approach. *Journal of Computing in Higher education*, 26, 124-142.
- Van Deventer, M., de Klerk, N., & Dye, A. B. (2018). INFLUENCE OF PERCEIVED EASE OF USE AND PERCEIVED RELATIVE ADVANTAGE ON GENERATION Y STUDENTS ATTITUDES TOWARDS AND USAGE BEHAVIOUR OF MOBILE BANKING IN SOUTH AFRICA. *International Journal of eBusiness and eGovernment Studies*, 10(1), 18-33.