



AWARENESS AND KNOWLEDGE OF INTERNET BANKING AND MOBILE BANKING SERVICES AMONG THE CUSTOMERS OF PUBLIC & PRIVATE SECTOR BANKS IN AKOLA CITY

Yogesh Kilashchandra Agrawal

Assistant Professor in Commerce, Smt. L.R.T. College of Commerce, Akola, Maharashtra.

Abstract

The advent of ICT technology in the banking sector has brought re-engineering in the process of providing services to the customers. Internet has become a common platform for satisfying the customers. Internet banking generally includes online banking, mobile banking and Automatic Teller Machines etc. All the public and private sector banks are providing the facilities of online banking to their customers and are investing huge amount in acquiring the ICT technology in their work. But a question arises are the customers really aware regarding usage of this ICT technology for performing banking transactions, are the banks making efforts to literate their customers regarding internet banking. It has been found that very few customers are there who are aware regarding usage of ICT technology for availing banking services. So is it the responsibility of the banks to make literate their customers for using online banking services. There should be a proper mechanism in both public and private sector banks to provide information regarding usage of online banking at branch level. Frequent online banking training sessions should be conducted by the bank for their customers. Online banking training sessions should be organized by the banks in colleges and institutions providing higher education. This will encourage youths to use online banking. Public relations officers should be given an additional duty of making aware the customers of the making regarding usage of internet and mobile banking.

Key Words: *Internet Banking, Mobile Banking, Online Banking, ICT Technology, ATM, Banking Services, Public Relation Officers, Training, Awareness.*

Introduction

Due to the advent of ICT technology in the banking sector there has been a re-engineering in the process of providing services to the customers. Internet has become a common platform for satisfying the customers. Internet banking generally includes online banking, mobile banking and Automatic Teller Machines etc. Internet banking is like a magic lamp for the customers. Customers by sitting at home or at the work place can perform all the banking transactions. Mobile banking is also promoted by developing apps by banks.

Today near about all the public and private sector banks are providing the facilities of online banking to their customers and are investing huge amount in acquiring the ICT technology in their work. But a question arises are the customers really aware regarding usage of this ICT technology for performing banking transactions, are the banks making efforts to literate their customers regarding internet banking. It has been found that very few customers are there who are aware regarding usage of ICT technology for availing banking services. The reason is lack of awareness and fear among customers. So is it the responsibility of the banks to make literate their customers for using online banking services.

Concept of Internet Banking

At present we are at the third level of Internet banking. Here online 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. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. Fundamentally and in mechanism, online banking, internet banking and e-banking are the same thing. Online banking, also known as internet banking, e-banking or virtual banking.

The customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking usually includes obtaining account balances, lists of the latest transactions, electronic bill payments and funds transfers between a customer's or another's accounts. Most banks also enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hardcopies of bank statements). Some banks also enable customers to download transactions directly into the customer's accounting software. The facility may also enable the customer to order cheque-books, statements, report loss of credit cards, stop payment on a cheque, advise change of address and other routine actions.

Concept of Mobile Banking

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct a range of financial transactions remotely using a mobile device such as a mobile phone or tablet, and using software, usually called



an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted.

The types of financial transactions which a customer may transact through mobile banking include obtaining account balances and list of latest transactions, electronic bill payments, and funds transfers between a customer's or another's accounts. Some also enable copies of statements to be downloaded and sometimes printed at the customer's premises; and some banks charge a fee for mailing hardcopies of bank statements.

From the bank's point of view, mobile banking reduces the cost of handling transactions by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions. Transactions involving cash or documents (such as cheques) are not able to be handled using mobile banking, and a customer needs to visit an ATM or bank branch for cash withdrawals and cash or cheque deposits.

Objectives of the Study

1. To study awareness with respect to Internet and Mobile Banking Services
2. To study the reasons for lack of awareness with respect to Internet and Mobile Banking services.
3. To study the challenges involved in using Internet and Mobile Banking services.

Methodology

In the present study the researcher has adopted convenience method in selecting the sample. Sample selected are administered with questionnaire. The questionnaire contains profile of respondents and questions on Internet and Mobile banking services. A sample size of 50 customers of which 25 customers having account in public sector bank and 25 having account in private sector bank are selected. The study is conducted in Akola city which has equal proportion of private and public sector banks. Percentage method is adopted for analyzing the data.

Analysis and Findings

Table 1: Summary Profile of Demographic Features of Respondents

Demographic Variables	Sub Components	No. of Customers	% of Response
Gender	Male	35	70%
	Female	15	30%
	Total	50	
Education	SSC	10	20%
	HSC	10	20%
	Graduate	20	40%
	Post Graduate	10	20%
	Total	50	
Annual Income	Upto 1 Lakh Rs.	20	40%
	Between 1 to 3 Lakh Rs.	20	40%
	Between Rs. 3 Lakh and above	10	20%
	Total	50	
Occupation	Student	10	20%
	Housewife	10	20%
	Service	15	30%
	Businessman	15	30%
	Total	50	
Bank	Public	25	50%
	Private	25	50%
	Total	50	

Table 1 show that among respondents 70% are male and 30% are female. As regard education 20% have passed SSC & HSC examination respectively and 40% are graduates & 20% are post graduates. Regarding Annual income of 50 respondents 40% earns upto 1 lakh, 40% upto 3 lakh and 20% above 3 lakh. As regard occupation 20% are student, 20% housewife, 30% doing service and 30% are businessman.



Table 2: Awareness Level of Customers towards Internet and Mobile Banking

Awareness Level	Frequency	Percentage
Fully Aware	12	24%
Partially Aware	18	36%
Unaware	20	40%
Total	50	

Table 2 highlights that among 50 respondents 24% are fully aware regarding internet and mobile banking, 36% are partially aware and 40% are unaware.

Table 3: Reason for Unawareness of Internet and Mobile Banking

Reasons	Frequency	Percentage
Lack of Educational Background	08	16%
Lack of access to the information	28	56%
Interested in traditional banking only	14	28%
Total	50	

Table 3 indicates that among 50 customers 16% are unaware regarding internet and mobile banking due to lack of educational background, 56% due to lack of access to the information and 28% are interested in traditional banking only.

Table 4: Source through which Information of Internet and Mobile Banking was known to Customers

Sources	Frequency	Percentage
Trough Bank	18	36%
Friends	12	24%
Relatives	13	26%
Advertisement given by bank	07	14%
Total	50	

Table 4 highlights among 50 respondents 36% customers got information of internet and mobile banking through bank, 24% through friends, 26% through relatives and 14% through advertisement given by bank.

Table 5: Has your Bank provided you Training for Internet and Mobile Banking?

Response	Frequency	Percentage
Yes	12	24%
No	38	76%
Total	50	

Table 5 indicates 24% respondents received training for internet and mobile banking though bank where as 76% did not receive any training.

Table 6: Are you using Internet and Mobile Banking

Response	Frequency	Percentage
Yes	08	16%
No	42	84%
Total	50	

Table 6 indicates that only 16% customers are using internet and mobile banking and 84% are not using such service.

Table 7: Factors Responsible for not using Internet Banking and Mobile Banking

Response	Frequency	Percentage
Lack of ICT Knowledge	20	48%
Lack of Knowledge regarding operating bank account through internet and mobile	10	24%
Fear for using Internet and Mobile Banking	12	28%
Total	42	



Table 7 indicates that 48% respondents are not using internet banking and mobile banking due to lack of ICT knowledge, 24% due to Lack of Knowledge regarding operating bank account through internet and mobile and 28% due to Fear for using Internet and Mobile Banking.

Conclusions

1. Awareness level of customers regarding internet and mobile banking is less.
2. There is lack of awareness regarding internet and banking is lack of education regarding usage of internet and fear to perform online transactions. As a result many customers prefer tradition banking instead of online banking.
3. Very les customers are getting information regarding usage of online banking through bank.
4. Very few banks are providing training to their customers for usage of online banking.
5. There no proper mechanism in both private and public sector banks to impart online banking training to their customers.

Suggestions

1. It is the need of the day that bank should promote usage of online banking among its customers.
2. There should be a proper mechanism in both public and private sector banks to provide information regarding usage of online banking at branch level.
3. Frequent online banking training sessions should be conducted by the bank for their customers.
4. Online banking training sessions should be organized by the banks in colleges and institutions providing higher education. This will encourage youths to use online banking.
5. Public relations officers should be given an additional duty of making aware the customers of the making regarding usage of internet and mobile banking.

References

1. Bendigeri & Hulgur (2014). Asian Journal of Research in Banking and Finance, Vol. 4, No 8, August 2014, pp. 222-236ISSN 2249-7323.
2. Fozia, M. (2013). A Comparative Study of Customer Perception toward E-banking Services Provided by Selected Private & Public Sector Bank in India. International Journal of Scientific and Research Publications, 3(9), 1.
3. Hariharan, A. V. (2013). Customer Awareness on ATM & Online Banking Services Provided by selected Private Sector Banks at Coimbatore city. Indian Journal of Applied Research, 3(April), 66-69.
4. Jiaqin Yang and Li Cheng Xia Luo (2009). A comparative study on e-banking services between China and USA. International Journal of Electronic Finance, 1 – 18.
5. Khatri, P. (2010). Comparative Study of Customer Satisfaction in Indian Public Sector and Private Sector Banks, International Journal of Engineering and Management Sciences 1(1), 42 – 51.
6. Pooja Malhotra and, B. S. (2004). Adoption of Internet Banking: An Empirical Investigation of Indian Banking Sector. The Journal of Internet Banking and Commerce RBI Report (2001).Report on Internet Banking.
7. .Singh, S., & Arora, R. (2011). A Comparative Study of Banking Services and Customer Satisfaction in Public, Private and Foreign Banks. Journal of Economics, 2(1), 45– 56.
8. Srivastava, R. Kumar. (2007). Customers perception on usage of internet banking. Innovative Marketing, 3(4), 67– 73.
9. Upadhyay-dhungel, J. R. K. and K. (n.d.). Internet Banking In Nepal: Use and Challenges. Banking Journal, 3(3), 57– 77.
10. Al-Ghamdi A (2009). Investigating Factors Affecting Customers of Using Internet Banking: A Comparison study between Saudi Arabia and the UK.