

## A Study on Customer Perception towards Internet Banking Identifying Major Contributing Factors

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### ABSTRACT

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*Internet banking is becoming increasingly popular because of convenience and flexibility. Internet banking is also called as online banking and it is an outgrowth of PC banking. Internet banking uses the internet as the delivery channel by which to conduct banking activity. For example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages and purchasing financial instruments and certificates of deposits. Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce. It is difficult to infer whether the internet tool has been applied for convenience of bankers or for the customer's convenience. But ultimately it contributes in increasing the efficiency of the banking operations as well as providing more convenience to customers.*

**Keywords :** Internet banking, online, Bank, Perception, e-banking.

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### I. INTRODUCTION

Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce without even interacting with the bankers, customers transact from one corner of the country to another corner. There are many advantages of online banking. It is convenient, it isn't bound by operational timings there are no geographical barriers and the services can be offered at a minuscule cost. Electronic banking has experienced explosive growth and has transformed traditional practices in banking.

Private banks in India were the first to implement internet banking services in the banking industry. Private banks, due to late entry into the industry, understood that the establishing network in remote concerns of the country is a very difficult task. It was clear to them that the only way to stay connected to the customers at any

They took the internet applications as a weapon of competitive advantage to corner the great monoliths like State Bank of India, Indian Bank etc. Private banks are pioneer in India to explore the versatility of internet applications in delivering services to customers.

#### Objective :

The main objective to explore the major factors responsible for internet banking based on respondents' perception on various internet applications.

Framework of the factors which are taken to assess the perception is as follows :

1. Convenience way of operating banking transactions. Online banking is a highly profitable channel for financial institutions. It provides customers convenience and flexibility and can be provided at a lower cost than traditional branch banking.
2. Flexible virtual banking system. Financial institutions have spent a great deal of time and money developing online banking functionality to allow customers an easy and convenient way to manage their money.

Ease of use is another important determinant for the customer preferring the internet banking. The design of the web-sites with appropriate use of graphical user interface is also considered as an important determinant.

Low transaction fees : Another factor that would stand in the way of consumer adoption of internet banking is the cost factor. In internet banking two types of costs are involved. First the normal costs associated with internet access fees and connection charges, secondary the bank fees and charges.

#### Limitations :

This study has successfully examined the major factors responsible for internet banking based on respondent's perception on various internet applications, future research may include examining the factors importance.

## **II. CONCLUSION**

Thus the analysis done with the help of statistical tools clearly indicate the factors responsible for Internet banking. Factor analysis results indicate that utility request security, utility transaction, ticket booking and fund transfer are major factors.

## **REFERENCES**

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