

USE OF ONLINE BANKING IN BUSINESS WITH SPECIAL REFERENCE TO MARIANI TOWN OF JORHAT DISTRICT

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INTRODUCTION

The past two decades have witnessed a significant shift in banking practice and operation towards online banking. Online banking has experienced explosive growth in many countries and has transformed traditional banking practice. This innovation in banking sector has brought a change in the business society also. The business firms which in past faced the disadvantages of traditional banking like standing in queue, inconvenience etc have now been relaxed with the adoption of online banking, and it has given them the opportunity to expand their business and carry out their business financial transactions more efficiently and conveniently. Worse still, there has been a low adoption level among consumers and its usage has not really brought any significant change in business relationship between the banks and their customers.

REVIEW OF LITERATURE

Sharma (2011) in her study “**Mobile banking as technology adoption and challenges**” focused on the adoption of mobile banking services by consumers and identify factors influencing the adoption and usage of mobile banking in India. She found that adoption of Mobile Banking appears to be influenced by its trialability and compatibility. Accessibility and dissatisfaction are the important factors influencing the adoption of mobile banking. The non-adopters of mobile banking are afraid of being the usage of new technology due to the complications in the systems and no proper guidance is provided to them.

Karigoleshwar and WaShivaji (2013) undertook a study on “**Customer Satisfaction towards E-Banking Services - A study of selected banks in Gulbarga**” and observed that the main reason for preferring e-banking service is easy to operate and it is an anytime and anywhere service. The benefits enjoyed by the users are mainly customized solution, convenience and fast, effective and efficient service. The main problems associated with e-banking are security measures and lack of trust.

RATIONALE OF STUDY

Previous studies have observed many benefits and challenges for adoption of online banking. The motivation factors for use of online banking and the reasons for non-acceptance of it are also revealed. The use of information technology to survive and expand the business is necessary need in today's tech savvy society. Introduction of online banking has given the business firms a major advantage of doing their transactions at their convenience. However, no such study was found on use and impact of online banking on businesses. In this study, the researcher has tried to explore that whether the businessperson in the study area has adopted online banking and the reasons behind their attitude towards online banking.

OBJECTIVES OF STUDY

- To know the online banking penetration among businessman in the study area.
- To know the factors effecting use of online banking.
- To determine the advantages availed by online banking users.
- To determine the factors not attracting adoption of online banking.

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METHODOLOGY

Nature of Study

The study will be both descriptive and analytical in nature. Descriptive research also known as statistical research, which describe data and characteristics about the population being studied. Descriptive research answers the questions who, what, where and how etc., where as in analytical research available data are analyzed to make a critical evaluation of the study.

Types of Data

Both primary and secondary data will be collected for the study.

Primary Data: Primary data are collected in a fresh manner by the investigator conducting the research by adopting some scientific method and are not readily available. Primary data have been collected from the sample businessman through schedules. Secondary data are those already in existence and which have been collected for some other purpose and used by the researcher for his study in the manner suitable to him. Secondary data have been collected from the scholarly articles, books, referred journals, newsletters, various websites etc. For my convenience, I have taken the area of the study as Mariani town under Jorhat district of Assam. It is located at 26.67°N 94.33°E. As of 2001, India census Mariani had a population of 23,065.

Population, Sample and Sampling Technique

The population of the present study comprised all the 1247 no. of business firms under 43 no. of groups registered under Mariani Town Committee. Since the population comprises of 43 no. of groups of business, the researcher has chosen four focused group viz. Grocery, Cloth, Hardware &Electricals and Fish & Egg and out of these four groups applying quota sampling technique 15 no. of respondents are taken from each group for the purpose of the study and thus the total sample consists of 60 no. of respondents. As the population consists of business units like pan shop, hotels etc., which rather uses banking operation for their business financial transactions and moreover in major cases there is local purchase and sell of goods , therefore the sample has been taken from the four focused groups where the financial transactions relating to business are heavy and online banking is expected.

Tools and Techniques Used: The collected data will be summarized in the form of tables, graphs and suitable charts will be used to present the data graphically so that interpretation could be better.

ANALYSIS AND INTERPRETATION

To understand, the opinion of the respondents was studied. The data collected from the respondents were classified and systematically analyzed. Respondent's profile, the various factors influencing the use of online banking service and the problems in not adopting online banking have been analyzed in detail and is presented in the following tables. The following three tables are prepared based on use & non-use of online banking, owning computer or not and having internet access at home or place of work taking into consideration all the respondents.

Table-1.1: User and Non-user of Online Banking

Factor	Number of Respondents	Percentage
Yes	09	15
No	51	85
Total	60	100

Sources: Field Survey

From the table it is seen that only 9 out of 60 respondent use online banking i.e. only 15% have adopted online banking, which shows how low is the online banking penetration among the respondents.

Table-1.2: Owning Computer

Owens Computer	Number of Respondents	Percentage
Yes	47	78
No	13	22
Total	60	100

Sources: Field Survey

From the above table it is seen that 78% of the respondent owns computer, but only 15% use online banking and 22% respondent does not owns computer. It is obvious that for online banking one must have personal computer as it is matter of security and privacy, but having computer does not induces to use online banking.

Table-1.3: Internet facility at Home / Office

Home / Office Internet Access	Yes	No
Available	22	37
Not available	38	63
Total	60	100

Sources: Field Survey

From the above table it is seen that though 37% respondent have internet access at their home or place of work but only 15% respondent use online banking. For using online banking, internet access at home or place of work is must but not an important factor for adopting online banking.

The following six tables are prepared on the basis of age, gender, level of education, type of business, income level and amount of banking transaction required taking into consideration the respondents using online banking only, to judge what are the factors for use of online banking.

Table-1.4: Age and Use of Online Banking

Age	Number of Respondents	Percentage
Less than 30	02	22
30-39	05	56
40-49	01	11
50 and above	01	11
Total	09	100

Sources: Field Survey

The above table discloses the opinion of respondents in their age wise. In this context, 56% of the respondents are between 30-39 years age; 22% are less than 22 years and remaining 11% are above 39 years. This is quite clear from the figures that the majority of the online banking users are between 30-39 years age, as they are young and energetic persons who are well aware of e-banking usage. While, the least user of online banking facility are respondents of 39 years and above as they are acquainted with the old traditional banking system and they are not having trust in e-banking services. Age is an important factor for the purpose of decision making on use of online banking.

Table-1.5: Type of Business and Use of Online Banking

Type of Business	Number of Respondents	Percentage
Cloth	01	11
Grocery	02	22
Hardware& Electricals	04	45
Fish & Egg	02	22
Total	09	100

Sources: Field Survey

Out of four-focused group, it is revealed from above table that 45% of online banking user belongs to Hardware & Electrical business followed by 22 % from Grocery and Fish & Egg and only 11% belongs to cloth group.

Table-1.6: Income Level and Use of Online Banking

Income (Monthly)	Number of Respondents	Percentage
Below Rs 25,000	00	00
Rs 25,000 to Rs 50,000	01	11
Above Rs 50,000	08	89
Total	09	100

Sources: Field Survey

89% of respondents using online banking are from group of income i.e. Rs. 50,000 and above and 11% have income between Rs 25,000 to Rs 50,000. Respondent having income level above Rs 50,000 are the main users of online banking whereas respondent having income below Rs 25,000 have not adopted online banking. It means level of income is an important factor in determining the adoption of online banking.

Table-1.7: Amount of Banking Transaction and Use of Online Banking

Average Amount of Banking Transaction Related to Business (Monthly)	Number of Respondents	Percentage
Below Rs 1,00,000	00	00
Rs 1,00,000 to Rs 3,00,000	01	11
Rs 3,00,000 to Rs 5,00,000	02	22
Above Rs 5,00,000	06	67
Total	09	100

Sources: Field Survey

From the above table it is seen that 67% of respondent using online banking belongs to the group having above Rs 5,00,000 of banking transaction related to business on an average in a month, followed by 22% having between Rs 3,00,000- Rs 5,00,000, and 11% having Rs 1,00,000- Rs 3,00,000 . It is revealed from the above table that respondents having banking transaction below Rs 1,00,000 on an average in a month does not opt for online banking, whereas majority of the respondent using online banking belongs to the group having banking transaction above Rs 5,00,000. Therefore, it can be concluded that the amount of banking transaction is a major factor for adopting online banking.

Table-1.8: Reasons for Not Using Online Banking

Variable	Number of Respondents	Percentage
Lack of Knowledge to Handle Computer	17	33.33
Lack of Awareness About Online Banking	40	78.43
Lack of Trust, Security and Privacy	18	35.29
Slow Internet	07	13.73
High Cost	13	25.49
Wants to Keep Man-to-Man Relation with Bank Personnel	33	64.71
Not Much of Banking Transaction Required	43	84.31
Don't Want to Take Mental Stress	12	23.52

Sources: Field Survey, Respondents - 51

From the above table it is seen that 84.31% of the respondents not using online banking don't adopt online banking because they don't have much of banking transaction related to their business, followed by 78.43% are unaware about the online banking, and 64.71% likes the traditional banking system as they want to keep man-to man relation

with bank personnel. 33.33% don't know how to handle computer, 35.29% have a fear of trust, security and privacy some of them don't want to do mental effort and few of them think that online banking is high costly. Thus, it can be said that the major factors for not using online banking by the respondents are that they do not have much of banking transaction related to their business, followed by lack of awareness about online banking and wants to keep man-to-man relation with bank personnel.

Table-1.9: Factors for Adopting Online Banking

Variable	Number of Respondents	Percentage
Anytime /Anywhere Service	08	88.89
Easy to Operate	05	55.56
Reliable	08	88.89
Convenient	07	77.77
Time Saving & Comfort	06	66.67
Reduced Cost	04	44.44
User-friendly	03	33.33

Sources: Field Survey, Respondents-09

From the above table it is seen that 88.89% of the respondent using online banking say that it is a 24x7 hours service from anywhere and is reliable also, followed by 77.77% saying online banking as convenient use, 66.67% agreeing it to be a time saving and comfort, whereas 55.56% say that it is easy to operate, 44.44% find it cost effective and 33.33% saying it to be user-friendly. Thus, it can be said that the major factors for adopting online banking are anytime / anywhere service and reliability, followed by convenience and time saving & comfort.

OBSERVATIONS

78% respondents own computer and 37% have internet access at home or place of work, even though the online banking user accounts for only 15%, which indicates that there is low online banking penetration among the businessmen in the study area.

56% of the respondent using online banking belongs to age group 30-39 years age, which means the young youths are more attracted towards adoption of online banking.

All the post graduate respondents use online banking while out of 78% respondent using online banking are graduates, which means level of education is a factor affecting use of online banking.

89% of the respondents using online banking have income level above Rs 50,000 on an average in a month and only 11% have income level between Rs 25,000- Rs 50,000, and there are no users of online banking having income level below Rs 25,000 in a month on an average, which means income level is a vital factor determining the use of online banking.

67% of the respondents using online banking have banking transaction related to business of Rs 5,00,000 or more on an average in a month, only 22% have banking transaction between Rs 3,00,000 - Rs 5,00,000, 11% having banking transaction between Rs 1,00,000 - Rs 3,00,000 and no one is using online banking having banking transaction below Rs 1,00,000 which means amount of banking transactions are also an important factor determining the use of online banking.

ANSWER TO THE RESEARCH QUESTIONS

Following are the answers to the research questions formulated above after analyzing the data:

- Age, education, income level, type of business and amount of banking transaction required are some of the factors effecting use of online banking.

- Yes, there is a very low online banking penetration among the businessperson in the study area. Though many of the respondents owns computer and there is internet access at home or place of work, they do not go for online banking.
- Anytime / anywhere service, reliability, convenient and time saving and comfort are the major advantages availed by online banking user, which are the reasons for their adoption of online banking.
- The major factors for not adopting online banking are that the respondents do not have much of banking transaction related to their business, unaware of online banking and they like the traditional banking system, as they are not reluctant to change and like to have man-to-man relationship with bank personnel.

SUGGESTIONS

- Awareness level about online banking is very less among customers. So banks have to conduct customer meet regularly to educate the customers on online banking. The bank can also distribute booklets contains information about the new schemes and it can be distributed directly to the customers.
- An exclusive TV channel or programme for banks can be opened to educate customers in regarding internet services and their utilization.
- Customers have wrong perception that online banking is costly; they should be made aware of it that rather it is a cost effective.

CONCLUSION

From the above discussion, it is quite clear that, though online banking service has become an accepted norm of monetary transactions for millions of users in India over the past decade and definitely, aright more to impart convenience to the customer as well as the bankers, the ease with which a customer can check his account, make online payments, make error free transactions, economy in costs, reduction in time spent in carrying out business activities, reduce congestion in banking halls, improve delivery system and quick transfer money between accounts has made this mode of banking hugely popular among Indians who are perpetually short of time to visit the bank premises physically but though the online banking penetration among the businessman is very low, due to lack of awareness, security & privacy concern, level of education etc.

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