



BARRIERS OF ONLINE SHOPPING OF BANKING PRODUCTS

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ABSTRACT

The goal of this paper is to analyze that what are the barriers for online shopping of banking products, by the exploratory factor analysis analyzed with questionnaire which has the results of 250 sample size that are done by the EFA and various factors in EFA using SPSS platform and got the results in the correct method with the analysis of EFA.

INTRODUCTION

Traditional method of shopping is going to stores and spending quality time to buy that needs. In that we used to buy giving money directly after some days it turned as swiping the cards and other digital payments.

Well as fast growing technology development the method of shopping slowly turned into online shopping, in the very initial days people were afraid about the quality of product and they don't have trust on the online products.

But after some days they believed the online stores as they also provided the actual quality and quantity of the product they offer same as the offline and with more extra benefits, then the consumer were habituated to the online shopping.

In today's age, banking products and services are highly affected by emerging technologies internet arrival has changed the way banking operations takes place.

Some of the banking/financial products

Debit card

Credit card.

Net banking

G-pay, Paytm, Phonepe.

As the online shopping of financial or banking products here in this research we are going to analyze the important barriers that are affecting the online financial products that may be trust issues and other reasons. We chose this study because it is a huge technological development in the country so then the online shopping has become the major habit of the people that saves the time and provide the best quality.

This paper is useful for both the banks and consumers as we included barriers and also recommend few changes to improve online shopping of the financial or banking product

Review of literature

Shalini talwar (2020) conducted a study on barriers towards purchasing from online travel agencies, the objective of this study is to focus on various aspects of online shopping and barriers to online shopping. Ruby jain and madhu kulhar (2019) conducted a study on barriers to online shopping, the objective of this study is to present a comprehensive framework of all relevant literature as barriers to online shopping.

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Suraju abiiodun aminu (2019) conducted a study on perceived risk barriers to internet shopping, the objective of this study is to focus on examine the perceived risks that constitute barriers to internet shopping for a large number of shoppers.

Liezel swiegers (2018) conducted a study on perceived risk barriers to online shopping: experiences of technologically enabled generation consumers, the objective of this study is to understand online consumer behavior and risk perception.

M.shakaib akram (2018) conducted a study on drivers and barriers to online shopping in a newly digitalized society, the objective of this study is to investigate why customers in developing countries, do not prefer online shopping for apparel despite the several benefits.

Urvashi tandon (2017) conducted a study on understanding barriers and drivers to online shopping: an emerging economy case, the objective of this study is to analyze barriers and drivers towards online shopping in india and want to build foundation for researchers to extend online shopping as other countries.

OBJECTIVE

The objective of this study is
To identify Barriers for Purchasing Online Banking Products.

RESEARCH METHODOLOGY

Thus, to gain deeper understanding of the issues in the Asian context, this research conducted an online survey to explore the perceptions of online banking services among corporate customers.

As non-traditional formats still cater to less than 25% of the total population in India are using online banking services, there are still many consumers who are yet to adopt. In this light, it will be interesting to study barriers for the adoption of online banking services. A study among Indian consumers was designed to test the hypothesis.

SAMPLE SIZE

The survey link was shared with 300 consumers out of which 250 respondents completed the survey. A total of 225 participants (90%) had prior experience of online banking products and 25 had no prior experience of online banking products.

TECHNIQUE USED

Factor Analysis technique mainly examines the systematic interdependence among set of observed variables, and the researcher is mainly focused on determining the base of commonality among these variables. Factor analysis has been extensively used in research for data reduction and summarization.

FACTOR ANALYSIS

In layman's terms, factor analysis is used for analyzing the correlation between two measurable variables and how it is influenced by another smaller series of non-observable variables. In market segmentation, for example, factor analyses may be used to classify the underlying variables into which clients are grouped.

EXPLORATORY FACTORANALYSIS

It is a statistical methodology used to reduce data to a smaller number of summary variables and to investigate the phenomena's underlying theoretical structure. The nature of the relationship between the variable and the respondent is determined. The following two methods allow exploratory factor analyses to be carried out

Basic Terminologies in Factor Analysis

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy: The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is an index used to examine the appropriateness of factor analysis.

Bartlett's test of Sphericity: Bartlett's test of sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population.

Communality: Communality is the amount of variance a variable share with all the other variables being considered. This is also the proportion of variance explained by the common factors.

Percentage of Variance: It gives the percentage of variance that can be attributed to each specific factor relative to the total variance in all the factors.

Eigen Value: The eigenvalue represents the total variance explained by each factor. Factors having eigenvalues over one (1) are selected for further study.

Factor Loadings: Also referred to as factor-variable correlation. Factor loadings are simple correlations between the variables and the factors.

Factor Matrix: A factor matrix contains the factor loadings of all the variables on all the factors extracted.

ROTATION METHOD

Varimax

minimizes number of variables with extreme loadings (high or low) on a factor. Minimizes the correlation between factors.

Direct oblimin

factors are allowed to be correlated

Rotations that allow for correlation are called oblique rotations; rotations that assume the factors are not correlated are called orthogonal rotations.

Varimax returns factors that are orthogonal, Oblimin allows the factors to not be orthogonal.

KMO AND BARTLEY TEST

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. This statistic shows the proportion of variance, for variables included in the study is the common variance. A high value of statistic (from 0.5 - 1) indicates the appropriateness of the factor analysis for the data in hand, whereas a low value of statistic (below 0.5) indicates the inappropriateness of the factor analysis.

Bartlett's test of sphericity is a test statistic used to examine the hypothesis that the variables are

COMMUNALITY

Communality is the amount of variance a variable share with all the other variables being considered. This is also the proportion of variance explained by the common factors. Small values indicate variables that do not fit well with the factor solution, and should possibly be dropped from the analysis. Normally values Less than .50 are removed. Here all the extractions are above the 0.50 and all are in the good values.

uncorrelated in the population. In other words, the population correlation matrix is an identity matrix; each variable correlates perfectly with itself ($r = 1$) but has no correlation with the other variables ($r = 0$).

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.857
Bartlett's Test of Sphericity	Approx. Chi-Square	0.857
	df	1869.812
	Sig.	.325
		0

KMO ANALYSIS

Here as per our results in the above table the KMO and Bartlett's satisfied the conditions that are the KMO value is 0.857 and significance is 0 so here we can continue the factor analysis.

ANALYSIS

In factor analysis, a communality is useful measure for predicting the variables value, in simple words we can say that it tells what proportion of variables variance is a result of which one. Communality range from 0 to, zero means that the common factors don't explain any variance. One means that the common factors explain all the variance. and when we see the extraction values it should be more than 0.4 to proceed further so here, we got all the values more than 0.4. Hence here we got the communality of 1 and extraction value more than 0.4 so our result is good.

Communalities

	Initial	Extraction
TRST1	1	0.774
TRST2	1	0.644
Trad1	1	0.609
Trad2	1	0.758
Trad3	1	0.574
Trad4	1	0.642
PRIV1	1	0.605
PRIV2	1	0.627
PRIV3	1	0.764
PRIV4	1	0.636
PRIV5	1	0.591
USG1	1	0.583
USG3	1	0.685
USG4	1	0.741
USG5	1	0.745
VAI1	1	0.581
VAI2	1	0.656
VAI4	1	0.525
RISK1	1	0.583
RISK3	1	0.658
RISK4	1	0.484

IMG1	1	0.447
IMG2	1	0.682
IMG3	1	0.564
IMG4	1	0.577
IMG5	1	0.478

Extraction Method: Principal Component Analysis.

EIGENVALUES VARIANCE ANALYSIS

The number of factors should be included in the model for which cumulative percentage of variance reaches a satisfactory level. The general recommendation is that the factors explaining 60%–70% of the variance should be retained in the model.

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	7.268	27.955	27.955	7.268	27.955	27.955	3.252	12.508	12.508
2	2.503	9.627	37.582	2.503	9.627	37.582	3.243	12.472	24.98
3	1.657	6.374	43.956	1.657	6.374	43.956	2.396	9.216	34.197
4	1.434	5.515	49.471	1.434	5.515	49.471	2.333	8.973	43.17
5	1.267	4.875	54.346	1.267	4.875	54.346	1.722	6.624	49.794
6	1.085	4.172	58.518	1.085	4.172	58.518	1.689	6.497	56.291
7	1.001	3.851	62.369	1.001	3.851	62.369	1.58	6.078	62.369

ANALYSIS

This table is the initial solution, the eigenvalue is the total variance explained by each factor. Any factor that has an eigen value of less than one does not have enough total variance explained to represent a unique factor and if we get any eigenvalue below, we should eliminate that value from our process to get the better results. Hence in our results we got the all eigenvalues more than the

required value that is 1 and here we got the high variance only by our result.

CONCLUSION

In this paper, we have identified different barriers that effect the online shopping of the banking products and through that barriers we had done a questionnaire and floated to the general public of different age groups. After the results we analysed the results by using SPSS and the technique of factor analysis and thus our report is based on the public opinion we opted the exploratory factor analysis. By the result analyzation we got the result that our variance and the significance, rotated component matrix and other values are very positively resulted on our survey.

So here our results are in the positive sense and hereby we got the result which is comfortable for us that we got to know that they are the barriers.

MANAGERIAL IMPLICATIONS

The barriers for online shopping of banking products affects the banks and other financial institutions. one of that barriers we have considered in our research are lack of privacy, where the privacy barrier presents some serious concern. The findings suggest that more internet users can be turned into online customers through the assurance by highly secured privacy by the financial institutions.

And then when we check the lack of usage barrier, many of the consumers do not know how to use the PIN number and the steps involved in the online transactions are very confusing, for this purpose many of the consumers are not adopting the online banking services.

On behalf of that they can implement voice assistant to improve the online or internet banking users and lack of trust and interaction also the major one in the effecting factors for the online shopping of banking products, that cause the consumers to lose the physical interaction where they feel unsecure without the interaction and due to the lack of interaction only, they also lose the trust of the consumers in large number.

When comes to the lack of understanding and communication where there are both rural and urban areas, wherein some areas people were not educated where their understanding is different from the others and that effects the consumers to not to opt for the internet banking services, for some communication matters and they became the barriers to few, where they trust the financial institutions through the communications also, so they are missing in this and that becoming a barrier.

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