

A STUDY OF TRUST AND PERCEIVED RISK IN INTERNET BANKING ADOPTION AND TECHNOLOGY ACCEPTANCE: A CASE STUDY IN THE SURAT CITY OF GUJARAT

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ABSTRACT:

Advancements in technology has paved out new ways of providing facilities to the customers. This is especially true in case of banking services. The globalisation has induced proliferation of foreign banks which provide very professional and sophisticated services to the customers. Nowadays the internet banking is being used by the customers for their daily needs. But the safety and quality of internet banking services has become a major area of attention these days. Therefore, it becomes essential to evaluate customers' point of view regarding the quality of services provided by the banks and their credibility and safety and security of the internet banking as perceived by them. This study explores the factors contributing to adoption of internet banking services in the city of Surat in Gujarat. The present paper also throws light upon the kind of internet banking services used by the customers. For this purpose three banks SBI, ICICI and City bank in the city of Surat of Gujarat have been taken. Factor analysis has been done to reveals the dominant factors for customer adoption of I-banking

KEY WORDS:

Bank, internet banking, banking customers, technology adoption, consumer satisfaction.

INTRODUCTION:

Competition and the constant changes in technology and lifestyles have changed the face of Banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the basic banking services. They demand and expect a facility to undertake their banking activities where and when they wish to do.

Definition of Bank

On account of the multifarious activities of a modern bank, it becomes very difficult to give a precise definition of the word “Bank”. **According to Oxford Dictionary:** “Bank is an establishment for the custody of money, which it pays out on a customers’ order”. **According to Indian Banking Regulation Act 1949:** “A Banking company means any company which transacts the business of banking which means accepting for the purpose of lending or investment of deposits from the public, repayable on demand or otherwise and withdrawable by cheque, draft, and order or otherwise” Internet Banking refers to a system allowing individual customers to perform banking activities at off-bank sites such as home, office and other locations via internet based secured networks. Internet or online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments and stop payment requests, and some even offer online loan and credit card applications. The growing popularity of personal computers coupled with accessibility to internet has marked an increase in use of internet by banks as a channel for receiving instructions and also delivering the products and services to the customers. Daniel (1999) defined Internet banking services as major information services of a bank to serve its customers via the Internet. Internet banking permits consumers to carry out usual banking transactions on a computer which is equipped with Internet connection (Fox, 2006). Information and communication technology (ICT) has changed the way of conducting business transactions.

Though, the internet banking was introduced in 1980s, yet it caught the tempo for the proliferation of various kinds of banks and banking services during 90s only, when legislations were also introduced. Time and cost savings and freedom from place have been the main cause of underlying the customer acceptance of online banking services (Howcroft, Hemilton and Hewer, 2002). Internet banking means using personal computer and a browser to get connected with the bank’s website to perform some virtual banking function. In this, the bank has a centralised web based database and the services those are provided are shown in the menu. The customer can choose any service and proceed as per the instructions.

The main advantages of internet banking are:

Operating cost is lower in internet banking

There is low incidences of errors

Customers can obtain funds at any time

The customers can use debit and credit cards due to which discounts can be obtained from the retailers.

The customers can transfer funds from one place to another.

RATIONALE FOR THE STUDY:

The present study is an attempt to study customer adoption and satisfaction towards I-banking in selected banks in Surat city in Gujarat with the help of factor analysis. No study has still been undertaken on the various constituents which reveal factors determining trust and customers' adoption and satisfaction from I-banking in the city of Surat of Gujarat this intrigued the present study.

OBJECTIVES:

- To find out the dominant factors influencing customers' adoption of I-banking.
- To evaluate customer trust/satisfaction towards internet banking
- To compare perceived comparison of services and safety among three banks
- To suggest measures to help banks improve customer adoption of I-banking services.

SCOPE AND METHODOLOGY:

This study aims to collect information regarding customer adoption and satisfaction towards internet banking and gives suggestions for improvement in various services provided by selected banks (SBI, ICICI and City banks). Data was collected from the customers of the selected public, private and foreign sector banks under study in Surat city of Gujarat.

For the present study, convenient random sampling was adopted to draw samples from the population, in which, 100 customers from each bank under study were selected i.e. 300 customers from Surat city. The information was collected through a structured questionnaire. Factor analysis was conducted to determine the most important factors influencing adoption of I-banking among bank customers. For this the Kaiser-Meyer-Olkin measure of sampling Adequacy and Bartlett's Test of Sphericity (KMO-Bartlett's test) was applied.

DISCUSSION:

Factor analysis and cross tabs- banks are used for the purpose of the present study.

The factor analysis is mainly employed for the following purposes: 1. For data reduction 2. For identifying the most influential factors. The factor analysis under extraction method of principal component analysis is employed to identify the important aspects relating to the quality of customer service with internet banking.

Factor analysis is a very widely used technique in marketing research for reducing data complexity by reducing the number of attributes being studied. Factor analysis determines the underlying significant drivers of the customers' behavior. Factor analysis is a good way of resolving this confusion and identifying latent or underlying factors from an array of seemingly important attributes. In a more general way, factor analysis is a set of techniques which, by

analyzing correlations between attributes, reduces their number into fewer factors which explain much of the original data more economically.

TABLES OF COMMUNALITIES N TOTAL VARIANCE:

	Initial	Extraction
By using Internet banking I keep my privacy so that other people will not know about my bank transaction	1.000	.589
Internet banking services are safe; my bank information will not fall into the wrong hands	1.000	.436
I am not worried because there is accuracy with Internet banking than at the bank office	1.000	.743
I feel comfortable providing my personal information through Internet banking system	1.000	.481
By using Internet banking I give an impression of being modern to others	1.000	.438
By using Internet banking I stand out among other people who use traditional banking services	1.000	.677
Using Internet banking services gives me a more professional status	1.000	.598
I take care of and get updated about my banking transactions more conveniently from Internet banking	1.000	.528
By using Internet banking service I get better service than from a bank office	1.000	.568
By using Internet banking I spare more time for my family/friends/hobbies.	1.000	.641
Internet banking provides convenience since it is available 24 hours	1.000	.571
Internet banking provides a wide range of information with only "one click"	1.000	.520
Prompt reception of responses to customer request	1.000	.525
By using Internet banking services, I pay lower rates, charges, fees	1.000	.555
I enjoy other free services such as stock quotation, news, etc. offered on the Internet banking web site	1.000	.488
Internet banking offers me a wider range of banking products, services and investment opportunities	1.000	.673
Using Internet banking can save me on transportation costs	1.000	.618
I get proper assistance & sufficient information about Internet banking transactions from the bank	1.000	.639
By using Internet banking face-to-face conversation and contact lessen with the bank	1.000	.746
Internet banking always fulfill my expectations	1.000	.611
Using Internet banking is clear and understandable	1.000	.426
I try to use Internet banking services because it is the best choice for me	1.000	.436
I say positive things about using Internet banking to other people	1.000	.468
I will regularly use Internet banking in the future	1.000	.432
I consider myself to be a loyal customer of bank	1.000	.510
Even if friends recommend another banking services, I will not change my preferences for Internet banking service	1.000	.521
I will encourage friends and relatives to use Internet banking service	1.000	.432

Extraction Method: Principal Component Analysis.

a. Only cases for which CITY = SURAT are used in the analysis phase.

Total Variance Explained^a

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	3.773	13.973	13.973	3.773	13.973	13.973	3.103	11.492	11.492
2	3.139	11.624	25.597	3.139	11.624	25.597	2.933	10.863	22.355
3	2.339	8.664	34.261	2.339	8.664	34.261	2.062	7.635	29.990
4	2.079	7.699	41.959	2.079	7.699	41.959	1.708	6.325	36.315
5	1.271	4.709	46.669	1.271	4.709	46.669	1.705	6.316	42.631
6	1.191	4.412	51.080	1.191	4.412	51.080	1.700	6.297	48.928
7	1.079	3.995	55.076	1.079	3.995	55.076	1.660	6.148	55.076
8	.987	3.656	58.731						
9	.965	3.575	62.307						
10	.921	3.410	65.717						
11	.862	3.192	68.909						
12	.790	2.926	71.834						

13	.752	2.784	74.618					
14	.694	2.570	77.188					
15	.627	2.322	79.510					
16	.615	2.277	81.787					
17	.582	2.155	83.942					
18	.575	2.128	86.070					
19	.558	2.066	88.137					
20	.541	2.002	90.139					
21	.496	1.838	91.978					
22	.457	1.693	93.671					
23	.395	1.462	95.133					
24	.392	1.450	96.583					
25	.365	1.353	97.936					
26	.301	1.115	99.051					
27	.256	.949	100.000					

Extraction Method: Principal Component Analysis.

a. Only cases for which CITY = SURAT are used in the analysis phase.

Eigen value measures the variance in all variables which is accepted for by that factor. The total variance explained by principal components indicates that there is a significant drop in the Eigen values from the eighth component onwards. Hence first seven components (factors) in the initial solution have an Eigen values over 1. According to Kaiser Criterion, only first seven factors should be used because subsequent Eigen values are all less than 1. Factor analysis has reduced the number of variables to four distinct classes of variables indicating dominant factors for customer adoption of I-banking.

TABLE OF ROTATION:

Rotated Component Matrix^{a,b}

	Component						
	1	2	3	4	5	6	7
Using Internet banking can save me on transportation costs	.738						
Internet banking provides a wide range of information with only "one click"	.687						
Internet banking offers me a wider range of banking products, services and investment opportunities	.663						
I get proper assistance & sufficient information about Internet banking transactions from the bank	.615						
Even if friends recommend another banking services, I will not change my preferences for Internet banking service	.501						
By using Internet banking services, I pay lower rates, charges, fees							
By using Internet banking I spare more time for my family/friends/hobbies.		.705					
Internet banking provides convenience since it is available 24 hours		.704					

I say positive things about using Internet banking to other people	.618				
Internet banking always fulfill my expectations	.529				
Prompt reception of responses to customer request					
I try to use Internet banking services because it is the best choice for me					
I will regularly use Internet banking in the future					
I consider myself to be a loyal customer of bank	.584				
I feel comfortable providing my personal information through Internet banking system	.574				
I will encourage friends and relatives to use Internet banking service	.568				
Using Internet banking is clear and understandable	.567				
By using Internet banking I give an impression of being modern to others					
I take care of and get updated about my banking transactions more conveniently from Internet banking		.677			
Internet banking services are safe; my bank information will not fall into the wrong hands		.622			
By using Internet banking service I get better service than from a bank office			.626		
By using Internet banking I keep my privacy so that other people will not know about my bank transaction			.623		
I am not worried because there is accuracy with Internet banking than at the bank office				.812	
By using Internet banking face-to-face conversation and contact lessen with the bank				.617	
Using Internet banking services gives me a more professional status					
By using Internet banking I stand out among other people who use traditional banking services					.783
I enjoy other free services such as stock quotation, news, etc. offered on the Internet banking web site					

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 19 iterations.

b. Only cases for which CITY = SURAT are used in the analysis phase.

The above table presents the rotated component matrix. Here one can observe how the extracted factors are related to the original variables. Principal Component Analysis (PCA) method for factor extraction is used. Principal Component Analysis (PCA) indicates that seven factors are extracted from 27 variables. These are dominant factors for customer adoption for internet banking.

Looking at the table (Rotated Component Matrix) we find that attributes like saving in transportation cost having loading value .738, wide range of information with one click .689, wider range of products .663, proper assistance and information .615, best choice .501 are on Component 1. This suggests that component 1 is a combination of these five variables. In case of Component 2; having more spare time having loading value .705, convenience .704, positive attitude towards bank .618, fulfillment of my expectations .529 which indicate that Component 2 is a combination of these four variables. In Component 3 it is noticed that, loyalty with the bank having loading value .584, feeling comfortable while providing personal information .574, encourage friends and relatives to use internet banking .568 and clarity and understandability having loading value .567. In Component 4 it is revealed that availability of updated information having loading value .677 and safety of services .622. Component 5 consist two variables i.e. get

better service .626 and maintenance of privacy .623. In component 6 two variables are accuracy in work having loading values .812 and face to face conversation lessens having loading value .617. Variable feeling of outstanding person having loading value .783 in component 7.

Frequency of services used by respondents:

Transfer between accounts within the same bank

NAME OF BANK	Transfer between accounts within the same bank			Total	
	Never	Sometimes	Often		
SBI	Count	24	52	24	100
	% of Total	8.0%	17.3%	8.0%	33.3%
ICICI	Count	10	67	23	100
	% of Total	3.3%	22.3%	7.7%	33.3%
CITIBANK	Count	6	61	33	100
	% of Total	2.0%	20.3%	11.0%	33.3%
Total	Count	40	180	80	300
	% of Total	13.3%	60.0%	26.7%	100.0%

The study indicates that respondents who never use I-banking to transfer funds between accounts within the same bank are more in SBI as compared to ICICI and Citibank.

Transfer from Indian accounts to foreign account

NAME OF BANK	Transfer from Indian accounts to foreign account			Total	
	Never	Sometimes	Often		
SBI	Count	58	30	12	100
	% of Total	19.3%	10.0%	4.0%	33.3%
ICICI	Count	43	39	18	100
	% of Total	14.3%	13.0%	6.0%	33.3%
CITIBANK	Count	12	72	16	100
	% of Total	4.0%	24.0%	5.3%	33.3%
Total	Count	113	141	46	300
	% of Total	37.7%	47.0%	15.3%	100.0%

The study indicates that respondents who never use I-banking to transfer funds from Indian accounts to foreign account are more in SBI as compared to ICICI and Citibank.

Account balance inquiry

NAME OF BANK	Account balance inquiry			Total	
	Never	Sometimes	Often		
SBI	Count	3	62	35	100
	% of Total	1.0%	20.7%	11.7%	33.3%
ICICI	Count	3	62	35	100
	% of Total	1.0%	20.7%	11.7%	33.3%
CITIBANK	Count	4	34	62	100
	% of Total	1.3%	11.3%	20.7%	33.3%
Total	Count	10	158	132	300
	% of Total	3.3%	52.7%	44.0%	100.0%

The study indicates that respondents of who often use I-banking for account balance inquiry are more in Citibank as compared to SBI and ICICI.

Applying for credit cards

NAME OF BANK	Applying for credit cards			Total	
	Never	Sometimes	Often		
SBI	Count	10	48	42	100
	% of Total	3.3%	16.0%	14.0%	33.3%
ICICI	Count	10	52	38	100
	% of Total	3.3%	17.3%	12.7%	33.3%
CITIBANK	Count	30	45	25	100
	% of Total	10.0%	15.0%	8.3%	33.3%
Total	Count	50	145	105	300
	% of Total	16.7%	48.3%	35.0%	100.0%

The above mentioned study indicates that the respondents who never use I-banking for credit card transactions are more in numbers in Citibank as compared to SBI and ICICI.

Performing simulations for insurance and/or retirement plans

NAME OF BANK	Performing simulations for insurance and/or retirement plans			Total	
	Never	Sometimes	Often		
SBI	Count	16	42	42	100
	% of Total	5.3%	14.0%	14.0%	33.3%
ICICI	Count	12	46	42	100
	% of Total	4.0%	15.3%	14.0%	33.3%
CITIBANK	Count	27	50	23	100
	% of Total	9.0%	16.7%	7.7%	33.3%
Total	Count	55	138	107	300
	% of Total	18.3%	46.0%	35.7%	100.0%

The respondents who often use I-banking for performing simulations for insurance and/or retirement plans are more in SBI as compared to ICICI and Citibank.

Performing transactions of loans

NAME OF BANK	Performing transactions of loans			Total	
	Never	Sometimes	Often		
SBI	Count	21	46	33	100
	% of Total	7.0%	15.3%	11.0%	33.3%
ICICI	Count	42	39	19	100
	% of Total	14.0%	13.0%	6.3%	33.3%
CITIBANK	Count	10	49	41	100
	% of Total	3.3%	16.3%	13.7%	33.3%
Total	Count	73	134	93	300
	% of Total	24.3%	44.7%	31.0%	100.0%

The respondents who often use I-banking for performing transactions of loans are more in Citibank as compared to SBI and ICICI.

Bill settlement

NAME OF BANK		Bill settlement			Total
		Never	Sometimes	Often	
SBI	Count	5	43	52	100
	% of Total	1.7%	14.3%	17.3%	33.3%
ICICI	Count	5	50	45	100
	% of Total	1.7%	16.7%	15.0%	33.3%
CITIBANK	Count	6	57	37	100
	% of Total	2.0%	19.0%	12.3%	33.3%
Total	Count	16	150	134	300
	% of Total	5.3%	50.0%	44.7%	100.0%

Respondents who often use I-banking for Bill payment are less in Citibank as compared to SBI and ICICI.



CROSS TAB BANKS SERVICES AS PERCEIVED BY THE COSUMERS:**NAME OF BANK * I am satisfied with products and services offered by the bank on Internet banking * CITY**

NAME OF BANK	I am satisfied with products and services offered by the bank on Internet banking					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
SBI Count	4	7	20	47	22	100
% within NAME OF BANK	4.0%	7.0%	20.0%	47.0%	22.0%	100.0%
ICICI Count	1	5	20	47	27	100
% within NAME OF BANK	1.0%	5.0%	20.0%	47.0%	27.0%	100.0%
CITIBANK Count	0	26	35	27	12	100
% within NAME OF BANK	.0%	26.0%	35.0%	27.0%	12.0%	100.0%
Total Count	5	38	75	121	61	300
% within NAME OF BANK	1.7%	12.7%	25.0%	40.3%	20.3%	100.0%

NAME OF BANK * I am satisfied with security system of Internet banking * CITY

NAME OF BANK	I am satisfied with security system of Internet banking					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
SBI Count	1	2	27	45	25	100
% within NAME OF BANK	1.0%	2.0%	27.0%	45.0%	25.0%	100.0%
ICICI Count	0	6	20	46	28	100
% within NAME OF BANK	.0%	6.0%	20.0%	46.0%	28.0%	100.0%
CITIBANK Count	0	2	19	45	34	100
% within NAME OF BANK	.0%	2.0%	19.0%	45.0%	34.0%	100.0%
Total Count	1	10	66	136	87	300
% within NAME OF BANK	.3%	3.3%	22.0%	45.3%	29.0%	100.0%

NAME OF BANK * I am satisfied with transaction accessibility * CITY

NAME OF BANK	I am satisfied with transaction accessibility					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
SBI Count	1	7	14	42	36	100
% within NAME OF BANK	1.0%	7.0%	14.0%	42.0%	36.0%	100.0%
ICICI Count	0	4	41	47	8	100
% within NAME OF BANK	.0%	4.0%	41.0%	47.0%	8.0%	100.0%
CITIBANK Count	0	2	32	48	18	100
% within NAME OF BANK	.0%	2.0%	32.0%	48.0%	18.0%	100.0%
Total Count	1	13	87	137	62	300
% within NAME OF BANK	.3%	4.3%	29.0%	45.7%	20.7%	100.0%

NAME OF BANK * I am satisfied overall with the Internet banking * CITY

NAME OF BANK	I am satisfied overall with the Internet banking					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
SBI Count	0	1	13	50	36	100
% within NAME OF BANK	.0%	1.0%	13.0%	50.0%	36.0%	100.0%
ICICI Count	0	2	17	56	25	100

% within NAME OF BANK	.0%	2.0%	17.0%	56.0%	25.0%	100.0%
CITIBANK Count	1	2	12	44	41	100
% within NAME OF BANK	1.0%	2.0%	12.0%	44.0%	41.0%	100.0%
Total Count	1	5	42	150	102	300
% within NAME OF BANK	.3%	1.7%	14.0%	50.0%	34.0%	100.0%

CONSUMER SATISFACTION AND TRUST:

It was found under the study that 22% of the respondents in SBI, 27% in ICICI and 12% in Citibank were highly satisfied with the I-banking products and services offered by the banks. The respondents of ICICI bank were more satisfied with the I-banking products and services offered followed by respondents of SBI and Citibank. It was found that in relation to security system of Internet banking 25% respondents in SBI, 28% in ICICI and 34% in Citibank were highly satisfied with the security system of Internet banking. The respondents of Citibank were more satisfied with security system of Internet banking followed by respondents of ICICI bank and SBI;

Thus the dominant factors for customer adoption of I-banking are convenience, wide range of products with low cost, informative websites, progressiveness, safety, accuracy and privacy. It is these factors that the bank should concentrate on and try to make more customers adopt I-banking. The bankers and I-banking service designers should think over these factors and make possible changes in the I-banking services according to customers' expectations. It was found that 36% respondents in SBI, 8% in ICICI and 18% in Citibank were highly satisfied with the transaction accessibility of I-banking; In relation to overall satisfaction it was found that 36% respondents in SBI, 25% respondents in ICICI bank and 41% in Citibank were highly satisfied with overall internet banking services.

CONCLUSIONS AND RECOMMENDATIONS:

The study reveals that the dominant factors for customer adoption of I-banking are convenience, wide range of products with low cost, informative websites, progressiveness, safety, accuracy and privacy. It is these factors that the bank should concentrate on and try to make more customers adopt I-banking.

The bankers and I-banking service designers should think over these factors and make possible changes in the I-banking according to customers' expectations. In case of satisfaction, the respondents of ICICI bank were more satisfied with the I-banking products and services offered followed by respondents of SBI and Citibank. Finding of the research will be helpful to banks in

product and service designing for I-banking services. They should be innovative, creating new products of services and marketing strategies that can stimulate demand to use I-banking services. Banks should improve their website designs and navigations, strengthen website security. To make online banking more adaptive, websites should be more attractive, more informative and colourful. Websites can be personalized to satisfy users' specific needs; online bankers should therefore strive to customize their services to fulfill their target market's requirements.

Convenience, ease of use, clarity of instructions and accessibility should be highly stressed in such efforts. Bank should monitor customer attitudes towards websites on a regular basis. Web-based surveys would help managers understand customers' perception of the quality of web sites and to identify areas which need modifications. Such surveys are of pivotal importance since most of the transactions performed using internet banking does not involve bank employees.

Banks should closely monitor customer traffic and customer switching from traditional to web-based services. Internet banking allows firms to create customer databases that allow such tracking of customer traffic. Basically, it is due to the myth of complexity of using the service and the risk that holds the customer back from availing the services of the bank. It was found that respondents of Ahmedabad city used I-Banking services more than respondents of Surat City. Complexity of internet banking is another key factor to influence the adoption of internet banking. Easy-to-use internet banking is important for all customers. Banks should aim to make their internet banking as simple and easy to use as possible so that customers do not perceive them as being complicated or difficult to use. It provides insights for developers to design an internet banking system interface, websites, processes, and programmes and for banks to formulate strategies in offering services. Websites should be user-friendly with clear instructions for users. The use of illustrations is advised and will be embraced by all levels of users. Banks should offer online demonstrations that allow customers to try out the service; this can help alleviate fears that the service might be too complex.

It is seen from the study that variable convenience has a positive influence on internet banking use; therefore internet banking acceptance would increase when customers find it more convenient. Bank should plan their marketing campaign taking into consideration this factor. Proper marketing communications should be maintained which would increase customer awareness and would result into better acceptance of internet banking. Customer would increase internet banking usage when they find it easier to use. Bank should therefore try to develop their internet banking site and interface easier to use. Bank can also provide practical training sessions to customers at their branches on usage of internet banking interface.

Bank managers should conduct periodic marketing studies to understand the level of technological services by the customers so that adequate service could be delivered at the right time. It is essential that the bank should put in place the right kind of system to further cut down

service time and render instantaneous services to the customers. Only such banks will tend to survive in this highly competitive market. Quality of services is important as it leads to customer satisfaction. Customer satisfaction is potentially an effective tool that banks can use to enrich a strategic competitive advantage in banking market. SBI and Citibank should try to increase the customer satisfaction of I-Banking services. Customer management is expected to reflect a sense of caring and the feeling that someone in the bank is really listening to the customers and trying to fulfill his or her needs. The winners in the field will be those who can turn internet banking from transactional business to relational business. Only by developing full-range online services with similar features to those offered at the branch level (including personal services), can banks differentiate themselves from their competitors and thereby create competitive advantage. Banks must provide accurate account information of stakeholders' financial transactions. Stakeholders expect Internet banking transactions to be accurate and free of errors. If there is an error, it should not take too long to correct the error after it is reported. Internet banking acceptance relies closely on the management of consumer relationship.

Awareness regarding safety and security of using net banking services should be done. The banker should guide the customers to their secured passwords and user name while using net banking services. To provide more security, each time for payment through bank, bank should issue one time password to the customer to be entered during payment and it should get expired within 10 minutes if not used.

Privacy is an important dimension that affects user's intention to adopt I-banking services. Trust has a striking influence on user's willingness to engage in online exchange of money and personal sensitive information. This in turn will lead to build effective relationship and increase customer satisfaction in the long run. A key factor, which will drive the use of internet banking in this country, is cost effectiveness. Hence, a reduction in the cost of internet banking transactions can motivate consumers to use the service. Banks offering internet banking should not charge fees for similar banking services that are free-of charge in the physical world. Since the cost of operating internet banking services is lower than any other channel of service, banks should look for opportunities to lower the charges and transfer the cost savings to customers. Therefore any potential cost reductions will act as a significant driver. The desires for cost reductions will be a key driver for banks to increase the adoption rate of internet banking also.

An important feature in promoting internet banking is the emphasis on lower charges for online transactions as a key benefit. Customers, who process large volumes of transactions online, should receive a discount on transaction charges. Customers could receive free statement updates via Short Message Services.

Although the findings of the research revealed positive responses for the selected banks, the bank should not be complacent; instead they should be innovative, creating new products or services and making strategies that can stimulate demand to use I-banking services.

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