

Customers' Perceptions and Awareness on Internet Banking Usages with Smart Mobile Phones: Special Reference to Banks in Batticaloa District

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Introduction

The world is changing at a staggering rate and technology is considered to be the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. Slowly but steadily, now a days information technology plays a vital role in banking sector. Day by day there is an increasing change in technology world. It leads to improve internet banking services of various banks.

Recently, developments in information technology and the subsequent evolution of internet banking have changed the ways in which banks implement their business and consumers conduct their everyday banking activities. (Eriksson, Kerem, & Nilsson 2008). Internet banking enables customers to conduct a wide range of banking transactions electronically through the bank's website anytime and anywhere. However, consumers have shown reluctance to complete simple online transactions due to security concerns and perceived risk, which is posited as a critical obstacle to consumer acceptance of Internet banking (AlGhamdi, Drew & Al-Ghaith 2011).

As customers become more sophisticated, it becomes imperative for banks to consider the use of technology to respond to their continuously changing requirements. But current scenario in Batticaloa shows that pace at which technology in Internet banking proceeds doesn't match with the customers' usage rate. Even though banks are more interested in adopting new technology to differentiate themselves in competitive market, they are not getting expected return for their investment. So is this the fault at the end of the technology or consumers' perception or they have awareness.

In case of Banking industries, State and Private Banks widely introduced Internet banking use with smart phone in Sri Lanka context especially in Batticaloa district, Bankers have to understand whether Customer's Perception and Awareness efficiently impact the Internet banking usages with smart mobile phones. Therefore this study examines how Customer's Perception and Customer's Awareness influences Internet Banking use with Smart mobile phone.

The specific research question is:

"Does Customer's Perception and Awareness influence on Internet banking usages with Smart Mobile Phones Batticaloa District?"

Literature Review

Internet banking and mobile banking are both electronic banking (Sripalawat, Thongmak, & Ngramyarn 2011). However, they differ in the channels to be used in delivering the services to customers (Scornavacca & Hoehle 2007). Thus, customers using Internet banking are using computers that are connected to Internet, while customers using mobile banking are using wireless devices to do transactions (Riquelme & Rios 2010).

Smart phones have become an especially useful platform to easily access banking services. These banking activities may include: retrieving an account balance, transferring money between a user's accounts, and making a payment. However, compared to regular Internet banking using a personal computer, the adoption of a smart phone for Internet banking might be more vulnerable with regard to security since the development of the smart phone has been driven by market demand, focusing on new features such as attractive design and ease of use (Landman 2010).

Methodology

The type of research is deductive and variables are measured with quantitative analysis. Primary data are collected through structured questionnaires with closed statements measured with Likert's scale (1-5 as strongly disagree, disagree, marginal, agree and strongly agree, respectively), All the questionnaires were distributed among the respondents in the defined areas personally by the researcher. A total of 230 questionnaires were distributed to respondents in Batticaloa whereby 205 responses were returned representing 89 percent response rate within the required time frame and respondents have been identified using convenient sampling technique. The data was collected in the period of 3weeks and then responses were fed into the Statistical Package for Social Sciences (SPSS) version 19.0 for analysis and evaluation. Central tendency, Correlation and regression analysis have been used to examine the problem.

Table 1: Sampling Framework

Study Setting	Customers in Batticaloa
Unit of Analysis	Customers in Batticaloa Divisional Secretariat Division
Sample Size	Two Hundred and five (205) Respondents
Sample Method	Convenient Sampling Technique

Results and Discussion

Independent Variable and its Dimensions

Awareness is evaluated with four indicators (through questionnaire). Awareness as an independent variable has high level attribute of the customers (Mean = 4.29 and see Table2). In addition, most of the customers expressed generally a common opinion regarding the variable of Awareness (Standard deviation = 0.45). With individual analysis, it is also noted that about all customers in this study have high level attribute for the Awareness.

Perception is evaluated with two dimensions: Usability (Perceived ease of use and Perceived usefulness) and Security. Perception another independent variable has high level attribute of the customers (Mean = 3.63and see Table2). In addition, most of the customers expressed generally a common opinion regarding the variable of Perception (Standard deviation = 0.31). With individual analysis, it is also noted that about all customers in this study have high level attribute for the Perception.

Security dimension has low level of attribute of customers (Mean = 2.31). In addition, most of the customers expressed generally a common opinion regarding the variable of Perception (Standard deviation = 0.31). It is also noted that about all customers in this study have low level attribute for the Security concern.

Table 2: Overall Measures of Independent Variable

Description	CA	CP
Mean	4.2890	3.626693770
Standard Deviation (SD)	0.45205	0.3055709581
Decision Attribute	High Level	High Level

(Source: Survey Data)

Dependent Variable and Its Dimensions

The usage is assessed with two indicators. (The dependent variable usage has moderate level attribute of the customers (Mean = 3.21 and see Table 3). Notably, most of the customers expressed the common opinion regarding the variable of Usage (Standard deviation =0.90). With individual analysis, it is also noted that all customers have moderate level attribute for Usage of internet banking.

Table 3: Overall Measures of Dependent usage

Description	IBU
Mean	3.212
Standard Deviation (SD)	0.9021
Decision Attribute	Moderate Level

(Source: Survey Data)

The Relationship between Awareness and Perception with Usage

The correlation analysis is initially carried out to explore the linear relationship of Awareness with Usage. Results indicate that there is statistically linear significant and positive relationship ($R=0.539$, $p < 0.01$) between Awareness and Usage (see Table 4).

Moreover, the correlation analysis is carried out to explore the linear relationship of Perception with Usage. Results indicate that there is statistically linear significant and positive relationship ($R=0.424$, $p < 0.01$) between Awareness and Usage (see Table 4). Thereby, The Awareness and Perception has significant relationship on usage.

Table 4: Correlation between Awareness and Perception and Usage

	CA	CP
Pearson Correlation: r	0.539**	0.424**
Sig. (2-tailed)	0.000	0.000

(Source: Survey Data) **. Correlation is significant at the 0.01 level (2-tailed)

Regression Analysis

The model indicates that about (Adjusted R^2) 30.8% variation of Internet bank use with smart mobile phone (see Table 5) can be explained by Awareness and perception. And other 69.2% can be explained by other variables. Moreover, it is concluded that the Awareness and perception can have the influence on Usage of Internet Banking with Smart Mobile Phone.

Table 5: Regression Analysis

R Square	Adjusted R Square
0.308	0.301

Conclusion

This study considers CA and CP as the independent variables and IBU as the dependent variable. While these variables individually have high level and Moderate level attributes of the customers, the Pearson's Correlation analysis explores a positive significant linear relationship between CA and CP with IBU. The coefficient of determination (R^2) was 30.8% at the 1% level. This implies that IBU can be predicted with CA and CP.

According to Sandhya Ragaur (2014), consumer awareness has significant impact on entreat to use in mobile banking and Hyun Shik Yoon and Luis Occeña (2014) customer perception impact the usage of internet banking. This study also has the same positive impact of Customer's awareness and Customer's Perception on Internet banking use with Smart Mobile phone.

Recommendations

The development of Internet technology with a smart phone is continuing to change the way business is done. This study has focused on the nature of Internet banking with a smart phone.

Younger age group and those who are in service either in private sector or government sector, constitute the majority of the users of the mobile banking, therefore immediate attention is required from the bank managers and service providers to ensure better service quality to this huge technology savvy customer segment.

They may give special attention to the factors such as security/safety aspects, usefulness and easy transaction though mobile, which will further enhance the confidence levels of the customer in using this facility and will have a positive impact on the customer's perception.

High education level of this segment provides a huge opportunity for the bankers to convert them from traditional banking to the mobile banking provide that the security of transaction and privacy issues are given top priority so that they can have favorable perception towards mobile banking.

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