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Consumer Awareness and Perceived Risk of E-Banking Services: An Examination of Adoption and Usage Behaviour

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Abstract:

This study looks into how well-informed consumers are about e-banking services and how much risk they feel comes with using them. The findings imply that although most customers are aware of e-banking services, their comprehension of the hazards involved is generally lacking. Security worries, like the possibility of fraud and identity theft, are primarily responsible for the perceived danger. The study also found that clients who are more aware of e-banking services tended to view risk as being lower. These findings have significant ramifications for banks and policymakers in terms of upgrading security measures and improving customer education to lower the perceived risk associated with e-banking services. In the current digital era, consumer awareness and perceptions of the risk associated with e-banking services have grown more crucial. Consumers can manage their accounts quickly and conveniently with the help of e-banking services, but some risks are involved. The present status of research on consumer awareness and perceived risk of e-banking services is summarised in this study.

Keywords: *consumer awareness, perceived risk, e-banking*

INTRODUCTION:

In the area of electronic commerce and financial services, consumer knowledge of and perceptions of risk associated with e-banking services are significant research topics. Understanding how customers view and assess the risks connected with these services is crucial as more and more customers use e-banking services for their financial requirements. E-banking is the practice of offering financial services across electronic platforms including the internet, mobile phones, and other digital gadgets. Consumers are now more dependent on e-banking services to handle their banking needs, including account management, transaction processing, and access to financial data. Nonetheless, there are worries regarding the dangers of e-banking, such as the possibility of fraud, identity theft, and other security breaches. Understanding how

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consumers perceive and assess these dangers and how this impacts their behavior and decision-making while using e-banking services is the goal of the research on consumer awareness and perceived risk of e-banking services. To reduce the dangers associated with using e-banking services, financial institutions can use this research to enhance security measures, develop more effective marketing strategies, and improve the design of e-banking services.

E-BANKING:

Electronic banking, also known as e-banking, has revolutionized the way we conduct financial transactions. With the rapid growth of internet technologies, more people are turning to online banking services to manage their finances. E-banking provides customers with the ability to access a range of banking services, such as checking account balances, transferring funds, and paying bills, from the comfort of their own home or on-the-go through their mobile devices. The development of e-banking services can be traced back to the 1980s when the first ATM machines were introduced. With the widespread adoption of the internet in the 1990s, banks started to offer online banking services, allowing customers to access their accounts and perform transactions through a secure website. Over time, e-banking has evolved to include mobile banking apps, digital wallets, and other innovative services that provide customers with a range of convenient and secure ways to manage their finances. One of the key benefits of e-banking is convenience. Customers can access their bank accounts 24/7 from any location with an internet connection. They can transfer funds, pay bills, and check their account balances at any time, without the need to visit a physical bank branch. E-banking also provides customers with a range of self-service options, such as setting up automatic payments and alerts, which can help them manage their finances more effectively. Another benefit of e-banking is security. Banks use a range of security measures, such as encryption and multi-factor authentication, to protect their customers' personal and financial information.

REVIEW OF LITERATURE:

Rudrapriya diwan study focuses on the awareness, adoption of e-banking among students. It is to find out what are the difficulties faced by customers in e-banking. It is concluded that most of the students are aware about e-banking services.

Aneesha study focuses on gauging awareness between rural woman use of e-banking to examine the extent of awareness of e-banking services among rural women it was an effort to find out awareness and satisfaction level of women in banking.

Kavitha analysis reveals the role and awareness of internet banking by women in the current period. With the fall in currencies, alternative modes of payments such as Digital money, E wallets and Mobile wallet applications, E banking, M banking, Plastic Money etc., has been increased considerably.

Pavitra found that banking and examine possible security measures that can be relied upon to prevent, detect, and contain fraud.

METHODOLOGY:

Data from the sample of 120 people aged anywhere between 12 to 60 above was collected through a questionnaire. The data has been collected using snowball sampling technique and has been interpreted using inferential tests such as ANOVA, T-Tests and Chi-

square tests. The results have been represented in the form of Frequency Tables, Bar charts and pie charts. The collected data has been interpreted using the statistical tool “SPSS” (Statistical Package for Social Sciences). The collected data has been coded, and then further analysis has been carried out. The results generated have primarily been depicted as tables and charts. The results generated have been shown below.

RESEARCH OBJECTIVES:

- 1) To gauge how well-informed consumers are about the advantages of e-banking.
- 2) To comprehend the elements that affect consumer usage and uptake of e-banking services.
- 3) To assess the perceived risks related to e-banking services, including privacy and security issues.

HYPOTHESES:

H0: Customers who are more knowledgeable about e-banking services will view the danger of utilising them as being lower.

H1: Customers who have more faith in e-banking services will utilise them more frequently.

H2: Customers who have used e-banking services and have encountered fraud or security breaches may perceive a larger risk of doing so in the future.

H3: Notwithstanding any perceived danger, consumers that value convenience and simplicity will be more likely to adopt e-banking services

LIMITATIONS OF THE STUDY

Participants may overestimate their level of awareness and underestimate their perceived risks due to social desirability bias, which can affect the accuracy of the data. The study may not take into account the broader social and cultural context in which e-banking services are used, which can limit the overall validity of the findings. The sample size of the study may be small, which can limit the statistical power of the study and affect the generalizability of the findings

ANALYSIS AND INTERPRETATION: -

(H0): There is no significant difference among consumers having awareness while using e-banking.

(H1): There is a significant difference among consumers having awareness while using e-banking.

| Age | | | | | |
|------------|-------------|---------------|---------|------------------|-----------------------|
| | | Freque ncy | Percent | Valid Percent | Cumulative Percent |
| Valid | 15-20 | 54 | 45.0 | 45.0 | 45.0 |
| | 21-30 | 39 | 32.5 | 32.5 | 77.5 |
| | 31-40 | 13 | 10.8 | 10.8 | 88.3 |
| | 41-50 | 10 | 8.3 | 8.3 | 96.7 |
| | ABOVE 50 | 4 | 3.3 | 3.3 | 100.0 |
| | Total | 120 | 100.0 | 100.0 | |

| EDUCATIONAL QUALIFACTION | | | | | |
|---------------------------------|---------------------|---------------|-------------|------------------|-----------------------|
| | | Freque ncy | Percen t | Valid Percent | Cumulative Percent |
| Valid | SECONDARY | 2 | 1.7 | 1.7 | 1.7 |
| | HIGHER SECONDARY | 10 | 8.3 | 8.3 | 10.0 |
| | UG | 91 | 75.8 | 75.8 | 85.8 |
| | PG | 17 | 14.2 | 14.2 | 100.0 |
| | Total | 120 | 100.0 | 100.0 | |

| GENDER | | | | | |
|---------------|----------|---------------|---------|------------------|-----------------------|
| | | Freque ncy | Percent | Valid Percent | Cumulative Percent |
| Valid | 0 | 87 | 72.5 | 72.5 | 72.5 |
| | MAL E | 33 | 27.5 | 27.5 | 100.0 |
| | Total | 120 | 100.0 | 100.0 | |

Correlations

| | | Do you think E-banking saves time, cost and conserves energy | do you use e-banking services regularly | AWARENESS IN DEBIT AND CREDIT CARED |
|--|---------------------|--|---|-------------------------------------|
| Do you think E-banking saves time, cost and conserves energy | Pearson Correlation | 1 | .363** | .065 |
| | Sig. (2-tailed) | | <.001 | .479 |
| | N | 120 | 120 | 120 |
| do you use e-banking services regularly | Pearson Correlation | .363** | 1 | .328** |
| | Sig. (2-tailed) | <.001 | | <.001 |
| | N | 120 | 120 | 120 |
| AWARENESS IN DEBIT AND CREDIT CARED | Pearson Correlation | .065 | .328** | 1 |
| | Sig. (2-tailed) | .479 | <.001 | |
| | N | 120 | 120 | 120 |

** . Correlation is significant at the 0.01 level (2-tailed).

Inference:

Using correlations, it was found that the value is above 0.05, which shows the that null hypothesis is rejected. Therefore, there is a significant difference among consumers having awareness while using e-banking. It shows that the customer has awareness while using e-banking.

GROUP STATISTICS

Null hypothesis: There is no significant difference that consumers have widely adopted the use of e-banking services

Alternate Hypothesis: There is a significant difference that consumers have widely adopted the use of e-banking services.

| Group Statistics | | | | | |
|--|---|----|------|----------------|-----------------|
| | do you use e-banking services regularly | N | Mean | Std. Deviation | Std. Error Mean |
| Is E- banking is an easy way to access account | STRONGLY AGREE | 47 | 1.36 | .640 | .093 |
| | AGREE | 42 | 1.52 | .552 | .085 |

Inference:

Using the Independent sample t-test it was found out that p-value is above 0.005 which shows that the null hypothesis is rejected. Therefore, the significant difference that consumers have widely adopted the use of e-banking services. So, we can come to a come to the o

conclusion that customers have trust and use e-banking for making every transaction through online banking.

CORRELATION

Null Hypothesis: There is no significant difference that customers trust e-banking for making payments

Alternate Hypothesis: There is a significant difference that customers trust e-banking for making payments

| Correlations | | | | | |
|--|---------------------|--------|--|--|--|
| | | TRUST | do you trust e-banking over manual banking | do you trust e-banking for making every payments | Do you think banks provide service as they promise |
| TRUST | Pearson Correlation | 1 | .892** | .634** | .855** |
| | Sig. (2-tailed) | | .821 | .786 | .874 |
| | N | 120 | 120 | 120 | 120 |
| do you trust e-banking over manual banking | Pearson Correlation | .892** | 1 | .585** | .529** |
| | Sig. (2-tailed) | .261 | | .491 | .383 |
| | N | 120 | 120 | 120 | 120 |
| do you trust e-banking for making every payments | Pearson Correlation | .634** | .585** | 1 | .519** |
| | Sig. (2-tailed) | <.001 | <.001 | | <.001 |
| | N | 120 | 120 | 120 | 120 |
| Do you think banks provide service as they promise | Pearson Correlation | .855** | .529** | .519** | 1 |
| | Sig. (2-tailed) | .461 | .701 | .569 | |
| | N | 120 | 120 | 120 | 120 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | |

Inference:

Using Independent sample t-test and correlations the significance level is above 0.005 therefore the null hypothesis is rejected. There is a significant difference in that customers trust e-banking for making payments. We can come to a conclusion that customer trust e-banking for making each and every transaction.

ANOVA

H0: There is no significant distribution of perceived RISK across with security and privacy concern in E-banking Services.

H1: There is no significant distribution of perceived RISK across with security and privacy concern in E-banking Services.

| ANOVA | | | | | | |
|--------|----------------|----------------|-----|-------------|-------|------|
| | | Sum of Squares | df | Mean Square | F | Sig. |
| GENDER | Between Groups | .888 | 11 | .081 | .378 | .962 |
| | Within Groups | 23.037 | 108 | .213 | | |
| | Total | 23.925 | 119 | | | |
| AGE | Between Groups | 32.150 | 11 | 2.923 | 2.865 | .002 |
| | Within Groups | 110.175 | 108 | 1.020 | | |
| | Total | 142.325 | 119 | | | |

| Correlations | | | | |
|--|---------------------|--------|---|--|
| | | RISK | what do you think the risk related to e-banking | do you think details of your account are maintained securely |
| RISK | Pearson Correlation | 1 | .644** | .772** |
| | Sig. (2-tailed) | | .907 | .753 |
| | N | 120 | 120 | 120 |
| what do you think the risk related to e-banking | Pearson Correlation | .644** | 1 | .300** |
| | Sig. (2-tailed) | .751 | | .649 |
| | N | 120 | 120 | 120 |
| do you think details of your account are maintained securely | Pearson Correlation | .772** | .300** | 1 |
| | Sig. (2-tailed) | .896 | .351 | |
| | N | 120 | 120 | 120 |

** . Correlation is significant at the 0.01 level (2-tailed).

Inference:

Using the ANOVA and correlation test the significant level is less than 0.005 null hypothesis is rejected. The main risks faced by the customer are security and privacy. So banks must try to curb those risk to encourage the customers to use more of digital banking.

CONCLUSION:

The consumer awareness and perceived risk are important factors that influence the adoption and usage of e-banking services. Consumers who are more aware of the benefits and risks of e-banking services are more likely to adopt and use them. This awareness can be increased through various means such as advertising, education and awareness campaigns. Perceived risk is another important factor that can influence consumer behavior towards e-banking services. Consumers who perceive high levels of risk associated with e-banking services may be hesitant to adopt and use them. This risk perception can be reduced by providing secure and reliable e-banking platforms, offering effective customer support and implementing robust security measures. Overall, e-banking service providers should focus on improving consumer awareness and reducing perceived risk to encourage adoption and usage of their services. They should also prioritize the development of secure and reliable e-banking platforms to gain consumer trust and confidence.

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