# Internet Banking Usage : A Customer's Perspective

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## Abstract

*Globally, information Technology has brought about far-reaching changes in banking industry. Through detailed analysis of various findings and review of related literature with respect to internet banking, the present study shows that relative benefit, security concern, decision-making capability, observability, gender and age group are the major factors affecting the usage of Internet bank services. To expand internet banking services, banks must aim younger customers than older customers. Moreover, internet banking attracts males more than females, irrespective of income level, due to its relative advantage over traditional banking. Equipped with information on customers who have accepted internet banking or likely to adopt the same, banks will be able to identify the market segments that should be targeted.*

Today banking without information technology is unthinkable, not only in developed countries, but also in many developing countries. Worldwide, Information technology is constantly changing the landscape of the banking industry. Banking sector is one area, where the technological revolution has brought sweeping changes in the medium of delivery and offering of banking services. The range of services provided by the internet enabled banking includes; electronics fund transfer (EFT), electronics clearance services (ECS), internet banking, ATMs, tele-banking, mobile banking, point of sales terminal (Kiosk banking) and electronic data interchange EDI. Internet enabled banking offers multi-dimensional advantages over traditional banking channels. Internet enabled banking performance outcome in terms of revenue and cost productivity are unmatchable. Some studies done earlier substantiated that the cost of service per customer reduces drastically when bank uses technology. For instance, it has been estimated that while it costs nearly US \$1.07 per transaction using the normal means on the internet the costs comes to mere a 'cent'. Even when compared with

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telephone banking (5 cents) and the ATMs (2.7 cents), the internet seems to have an edge. Also, Internet banking makes work less labour intensive and reduces the wage bill of the bank. For example, non-automated bank branch employs 25 employees where as automated bank branch employs only 5 employees for the same job (Indian Bank Association (IBA), Bank Survey, 2003). At customer end also internet banking generates enormous benefits by understanding the customer's need better. It is possible for the banks to personalize communication and customize their products. This helps in generating cross sell, up sell and greater degree of customer's loyalty and satisfaction of customers. As bankers feel that internet banking customer keeps 2.5 times higher bank balance and has 4 to 5 times lower attrition rates as compared to branch banking customer (Business world).

## Rationale for the Study

The first blueprint of internet enabled banking was laid by the two reports of Rangarajan Committee submitted to RBI, in 1984 and 1989. The committee recommended for a system of teller-operated on-line terminals that would be linked to central locations mainframes. Based on the report, initially technology was introduced in the banks by installing only memory machines at the bank branches, which was named as Advanced Ledger Posting Machines (ALPM) since then unprecedented growth has taken in this area. As per the data collected by us on March 2006 from various bank websites, there are 51 fully transactional websites along with 18600 ATMs and 38 banks are offering telebanking and mobile banking services.

Despite this our banks productivity is estimated to be only 12 percent of the US banks productivity level, though it has the potential to reach upto 90 percent (McKinsey, Retail Banking Report). As per McKinsey consultancy, the main reasons for this productivity gap between the Indian banks and the US banks have been attributed to (Table I) the factors like overstaffing of branches, the slow judicial system, lack of credit rating information, inadequate technological automation, low penetration of new channels such as internet, ATMs and call centers, the lack of centralization of back office operations due to less automation, and a payment mix that is biased towards cash transactions. Same report highlights that if two important inter-linked factors viz. inadequate technological automation and low penetration of new channels are improved upon, then these have the potentiality of increasing the banks' productivity by 38 percent (Table I).

**Table I : Operational Reasons for Productivity Gap**

| S. No. | Operational Reasons | % Contribution to Productivity Gap |
|---|---|---|
| 1. | Low penetration of new channels | 23 |
| 2. | Inadequate technological automation | 15 |
| 3. | Viable automation (channels and clearing) | 15 |
| 4. | Scale in transaction volumes | 12 |
| 5. | Poor credit rating mechanism | 8 |
| 6. | Unviable automation (channels and clearing) | 7 |
| 7. | Payment mix | 3 |
| 8. | Over staffing of branches | 2 |

Index; US in 2002=100, Source: Organisation of functions and tasks, Retail Bank Survey; McKinsey Analysis.

The foremost thing required for this to happen is more usage of internet enabled channels compare to branch banking by customers. At present online population in India is increasing and expected to reach 70 million by 2015 but the total number of internet banking users are estimated to be at 2 million. However, these numbers need to be adjusted for dormant users and multiple accounts (A user having accounts with more than one bank). After this adjustment, India has a little less than a million active Internet banking users. This is just 0.096% of the total population, but it represents 15% of the Internet user population. This indicates that the concept of Internet banking is surely catching on but at present it is in nascent stage. Whereas, if we compare this with US standards , it is abysmally low number of users, `Table II' is just an indicative number of online customers of US top banks. Thus, it is crucial for banks to understand the factors that can lead to the increased usage of internet enabled banking by the customers and ultimately the bank productivity.

**Table II : Online Customers at Major US Banks**

| Banks in US | Number of Customers (Million) |
|---|---|
| Wells Fargo | 3.9 |
| Bank of America | 3.7 |
| Wachiova | 3.5 |
| Fleet Boston | 1.8 |

There can be number of exogenous and endogenous variables that can lead to the customers' preference for internet enabled banking. This study focuses only on the issue that,

1.  *Whether the variables that influence the customer usage of new product or services are they pertinent in technology based settings?*

2.  *To suggest a conceptual model for enhancing the usage of Internet banking based on the empirical study?*

Earlier studies have simply defined the usage of Internet banking on the basis of the variables such as age, education and income of the customers. Ramaswami, Strader and Brett (2001), stress that demographic variables alone cannot explain in depth why a customer uses Internet enabled banking.

There is a great deal of research yet to be done in this area to cover this issue. Review of the literature suggests that there is no particular study, which addresses these issues in Indian context. The present study is therefore a humble attempt to empirically study the factors that are responsible for the usage of Internet banking from the customer perspective. The results of this study can aid the banks in, prospecting, segmenting, targeting and positioning Internet banking services.

## Review of Literature

The existing literature in the area of marketing offers a number of conceptual arguments with regard to the factors governing product use. The newly emerged Internet banking services represent high technology innovation as a medium of service delivery. Customer usage of innovation is based on three major attributes; product, firm and market related. Further, Roger (1995), has stated that evaluating the innovation involves constructs such as; relative benefits, complexity, observability and risk. The present study uses the MAO (motivation-ability-opportunity) framework introduced by MacInnis, Moorman, and Jaworski (1989), augmented with the usage research of Roger. The MAO framework is useful for capturing customers' tendencies to perform any specific behavior of consumption. It is worth discussing how researchers define motivation, ability, and opportunity along with their components. Motivation has been defined as the drives, urges, wishes, or desires which initiate the sequences of events known as Behavior. Different customer motivations may be relevant for the use of Internet banking, but this study is restricted to the relative benefit and risk of using Internet banking. Relative benefit is the benefit to the bank customers that they perceive

superior compared to the branch banking. Risk in Internet banking is derived from the fear that channel use may result in unfavourable economic loss, combined with privacy concerns associated with this channel. Thus, risk will be a function of customers' perception of relative security in Internet banking. Ability refers to the customers self perception about - a quality that enables an individual to perform an act, solve a problem, or make an adjustment. Ability refers to potential performance or certain skills or knowledge at a given time. Two factors contribute to the self-perception of the ability; knowledge of the Internet banking and confidence in one's own decision-making capacity. Customer's knowledge is dependent on the level of information that customer possesses or acquires. Literature on uncertainty suggests that uncertainty consists of uncertainty of information and of decision-making. These two are separate factors. Even with adequate knowledge, some people may lack confidence in their ability to make the right decisions. Confidence is defined as the "degree of accuracy of one's judgment". Typically, consumers use the information at their disposal to form judgments. If the judgments result in appropriate choices, the consumers' level of confidence increases. To gain confidence, consumers need feedback relating to their choices. No feedback is possible if no choices are made. Consumers who lack confidence find themselves in a state of indecision rising from their inability to choose among rival alternatives. Both the factors put together; would reduce the complexity of the Internet banking.

MacInnis explains that the term "opportunity", despite its somewhat negative connotations, still refers to - a favourable set of conditions that limit barriers or provide rewards. Opportunity would include the variable observability that is, the extent to which internet enabled banking use is visible to the other members of the society.

## Hypotheses

I.  **Motivation**

•  **Relative Benefit**

Banks by opening ATMs at many locations, by providing Internet and Tele-banking at customer house create a convenience of location and time. Banks by providing Internet banking actually reduce the cost. Customers view these banks as competent and remain with them. Additionally, online banking is mainly based on computer technologies that by the help of software perform error free banking related works. Morgan and Hunt (1984), posit that customers who receive superior benefits from their

partnership will be more committed. Thus, we posit that:

Ho : There is an insignificant relationship between online benefit and customer's use of Internet banking.

H1 : There is a positive relationship between online benefit and customer's use of Internet banking.

- **Security Concern**

The literature on innovation of usage suggests that innovators and early adopters are more willing to try new innovations than late adopters and laggards. The risk is derived from consumers' fear that using the on-line channel may result in unfavorable outcomes. The potential for economic loss, combined with privacy and security concerns associated with this channel, make its use untrustworthy. The traditional literature on consumer behavior suggests that customer always engage in risk reduction. According to Milne and Boza's (1999)  findings suggest that security concern is negatively related to the direct marketing use. Thus, we posit that,

Ho : Security Concern is insignificantly related to the usage of Internet banking.

H2 : Security Concern is negatively related to the usage of Internet banking.

II. **Ability**

**Level of Information**

Zaltman, Duncan, and Holbeck, (1973),  point up an important attitudinal dimensions related to an innovation is whether one is willing to consider its use or not. Further, Romano and Fjermestad, (2002), stressed that technology based approach to service delivery (such as Internet banking) has the effect of reducing the use of this channel, because online financial decision-making is complex and involves serious economic risk. However, the underlying reason is information asymmetry. As, online banking is high-involvement in nature, this encourages consumers to get as much information as possible about the channel. Literature on traditional consumer behavior suggests that high involvement generates intense efforts by the consumer to attend to and search out sources of information. The search process may involve activities such as browsing websites for financial information, evaluating service alternatives, reviewing information about service providers, and exchanging information with others. In turn,

information obtained gives them an opportunity to experience the channel and attain a certain level of comfort before they are ready to conduct transactions. Engaging in activities of this kind makes the consumer more comfortable with the medium and, thereby increasing the use of Internet banking. Thus, we posit,

Ho : The information search on the online bank significantly influences the use of Internet banking.

H3 : The information search on the online bank insignificantly influences the use of Internet banking.

## Decision Making Capability

As, even with adequate knowledge, some people may lack confidence in their ability to make right decision. Consumers who lack confidence find themselves in a state of indecision rising from their inability to choose among rival alternatives.

Ho : Customers' decision-making capacity insignificantly influences the use of Internet banking.

H4 : Customer decision-making capacity significantly influences  the use of Internet banking.

## Opportunity

### Observability

The lack of tangibility in service products may present some problems, even though in this case the service delivery medium, ATM, telephone, Kiosk, and mobile phone may enhance physical evidence of the Internet banking.

Ho : Observability insignificantly influences the customers' use of Internet banking.

H5 : Observability significantly influences the customers' use of Internet banking.

## Methodology

In order to achieve objectives of this study, a detailed questionnaire has been prepared. The questionnaire prepared to collect the data required for our analysis, has been divided into six sections, each representing one variable. The questionnaire has been administered in four sections to avoid the possibility of the fatigue factor and has been rotated to avoid order bias (except for the background information section). Each variable consists of a Likert-type interval scale items on five-point rating, ranging from 5 to 1. Each item pertained to

one of the attitudinal dimensions of trust determinant. The variables are assessed at the individual customer's level. Questionnaire has been designed to elicit the following information :

Section I of the questionnaire, pertains to the collection of background information of the respondents such as their age, gender, formal years of education, present job status, family income, total number of family members, preferred bank, contact method, and frequency of contact. This has helped us to analyze the use pattern of Internet banking.

Section II measures the relationship benefits. Relative benefits have been measured by using twenty items scale. These items have been drawn from the twenty items developed by Berry, Parasruramam and Ziethmiel (1995). Based on 12, focus group interviewed in retail banking, credit card, security brokerage, product repair and maintenance service categories; they listed twenty items. In our study, the respondents have asked whether they receive superior benefits from their bank, relative to other banks. This is based on the concept of Anderson and Narus (1990), who professes that performance outcome (benefits) should be measured in comparison to what alternatives customers have? The score of the items correlated significantly per se and with the total score. The content validity of the items is found to be highly significant and the alpha coefficient comes out 0.7 (Table III).

Section III deals with the measurement of the security concern of the customer. It has been measured in terms of security concern scale developed by John (1984). Each item has been measured by using three-item scale on five point Likert's scale ranging from strongly agree (5) to strongly disagree (1). The score of the items correlated significantly per se and with the total score. Thus, there exists the content validity. The alpha reliability for security concern is found to be 0.78 (Table III).

Section IV contains questions relating to the measurement of about the level of information and decision-making capability. For this we have used Achorl and Stern's (1988), seven items measure. Four items measure the uncertainty about the information. These items have been measured on a five point scale ranging from information is adequate (5) to information is inadequate (1). The remaining three items measure the uncertainty about the decision-making. The items have been measured on a five-point scale ranging from complete confidence (5) to no confidence (1). The score of the items correlated significantly per se and with the total score. The content validity is found to be significant but the alpha reliability for uncertainty items is found to

be only 0.60. Still, these items have been retained because of their importance in the study (Table III).

**Table III : Reliability and Validity Results**

| Construct | Number of Items | Alpha | Correlation of score with score | Each item total item |
|---|---|---|---|---|
| | | | Minimum | Maxi-mum |
| Relative Benefit | 12 | .81 | 0.58** | 0.64** |
| Security Concern | 3 | .78 | 0.43** | 0.73** |
| Information Level | 4 | .75 | 0.54** | 0.79** |
| Decision Making Capability | 3 | .6 | 0.48** | 0.77** |
| Observability | 4 | .74 | 0.49** | 0.62** |

**p < 0.05

The draft questionnaire has been used for exploratory research for gathering opinions from bank customers and managers. For this, we have conducted the pilot study and have administered questionnaire on the forty bank customers, selected from ICICI bank, Noida branch. Moreover, for the purpose of construct validity, we have shown the questionnaire to the managers of the banks including ICICI bank manager. At this stage we requested the respondents to identify the points of vagueness in the questionnaire and suggest what more could be added or deleted from it. Keeping in mind the research objectives of our study, we have incorporated the respondents' suggestions in the final questionnaire. To test the content validity of the questionnaire, we have conducted the item-wise analysis of the questionnaire on the three bases: the item intercorrelation, the correlation of the item with total score and the discriminating power of the item. Item having high correlation (.9 and above) with other items has been checked conceptually for the content validity and following this, the item with lesser degree correlation with total score has been dropped from the questionnaire.

## Sampling Framework

Many individual, organizational and technological factors have their impact on the usage of Internet banking. This makes it more difficult to identify and control all the moderating variables. To minimize these problems and make the sample as homogeneous as possible, the potential respondents have been selected by adopting the following criteria: -

* Respondents must be the account holder and/or should be availing the services of bank (such as fixed deposits, depository services, mutual funds

etc.)

- All respondents must be using the Internet banking services.

- The respondents must have attained, the 18 years of age and are independent decision makers. The adult retail bank customers have been selected from the Delhi & NCR region.

The retail customers consist of the sample units of this study. Out of total 200 questionnaires distributed to the respondents, we found 162 (one hundred and sixty two) questionnaires were completed in all respects. Therefore, incomplete questionnaires have been deleted from the study.

# Results

### Socio-Demographic Profile: Income

Results reveal that high household income group customers (in the range of Rs 2.4 to 3.6 lacks per annum) compare to other income groups prefer technological channel more for banking transactions. On the contrary, correlation analysis points out that there is an insignificant ($r = 0.238$, $p > 0.05$) relationship between the income and usage of technological channel. This means that in addition to income some other socio- demographic factor should be analyzed.

# Education

It is found that in the technological channel-preferring customers, 33.57 percent have education up to undergraduate level and 62.43 percent have up to graduation level. Further analysis suggests, technology-preferring customers have more years of education (mean=16.16 years) and hence are more qualified (Table 4). Similarly, when correlation has been computed, it is found that there is a significant relationship ($r = 0.452$, $p < 0.05$), that is, preference for technological channel increases with the increase in the education level. This can be explained by the Lee and Moray (2002), research. They found that whether the customer uses a computer system is dependent on the customers' understanding of the underlying characteristic and processes that govern the computer system's behavior. But, the problem is that the technology is so complicated that it could not be explained in simple terms to uneducated customers. This can be concluded that education has significant influence on the uses of the Internet banking.

**Table IV : Technology Preferring Customers Socio-demographic Characteristics (N=162)**

| Mean & Range | Age | Number of Family Member | Household Income (p.a) | Years Spent in Education |
|---|---|---|---|---|
| Mean | 32.48 | 3.53 | 2.23 | 16.16 |
| Min. 20 | 1.00 | 2.00 | 14.00 | |
| Max. 48 | 5.00 | 4.00 | 20.00 | |
| S.D. 8.7 | 1.87 | 1.49 | 4.02 | |

Note : Income(per annum)More than Rs.1.2 lakh = 1, More than Rs.2.4 lakh = 2, More than Rs.3.6 lakh = 3, More than Rs.4.8 lakh = 4

# Age Group and Gender

To test whether the preference for technological channel is similar among the different age groups and gender or does it differ significantly, average number of times the technological channel used per month has been computed across the various groups of age and gender. Further, F-ratio has been calculated to test the significance level of the variation (Table V). Studies done earlier have also seen differences in how men and women use the internet (e.g. Hiroshi Ono and Madeline Zavodny, 2003), their online communication styles (eg. Herring, 1993; Witmer and Katzman, 1997). McCormick et. al. (1993), suggests that the computer has no inherent gender bias, but computer culture is socially constructed as male. For example, men are more interested than women in experimenting and playing with the technology.

**Table V : Technological Usage Pattern Across Various Age Groups**

Age-wise

| Age Group → | (<21) | (21-25) | (26-30) | (31-35) | (36-40) | (41-45) | (46-50) | (51-60) | (>60) |
|---|---|---|---|---|---|---|---|---|---|
| IT Channel usage* → | 0.67 | 2.99 | 3.07 | 2.47 | 2.28 | 2.10 | 1.62 | 2.32 | 2.30 |

*Average number of technological channel usage per month for banking transaction

F-ratio (Age-wise) = 3.428, $p < 0.05$

## Technological Usage Pattern Across the Gender

Gender-wise

| Gender | Male | Female |
|--------|------|--------|
| IT Channel usage* | 4.32 | 2.45 |

*Average number of technological channel usage per month for banking transaction
Two independent samples
t-test (gender-wise) = 4.377, p < 0.05

Results reveal that there is a significant variation among the age groups. More particularly, usage of technological channel is found to be high in the 21-25 years age and 26-30 years age. Followed closely by the age groups of 31-35 years and 36-40 years. High F-ratio for gender implies that technological channel usage is polarized towards male. Amazingly, no correlation was found in 'other' socio-demographic category. In a nutshell, it can be concluded that it is the socio-demographic traits (except income) of the customers, which determines the technological channel usage.

The correlation analysis has been applied to find out the impact of relative benefit, security concerns, level of information, decision-making capability, and observability on the customer use of internet banking. The correlation results [Table V] reveal that customer's use of Internet banking is significantly positive correlated with relative benefit ($r = 0.432$, $p<0.01$), level of information ($r = 0.335$, $p<0.01$) and decision making capability ($r = 0.515$, $p<0.01$) and significantly negative with the security concerns ($r = -0.258$, $p<0.05$). Also, there is insignificant correlation between observability ($r = 0.133$, $p>0.05$) and use of internet banking.

Further, regression analysis brought these findings into sharp focus. As expected, there is a significant positive influence of relative benefit ( = 2.354, 't' value = 3.467, $p<0.01$) [Table VI] on use of Internet banking. Thus, the null hypothesis (H0) that, there is an insignificant relationship between online benefit and customer's use of internet banking, stands rejected and alternate hypothesis (H1) stands accepted.

We found a significant negative influence of security concern ( = -0.342, 't' value = -1.986, $p<0.05$) [Table VI] on use of Internet banking. Thus, the null hypothesis (H0) in Internet banking that 'security concern is insignificantly related to the use of internet banking' has been rejected and the alternate hypothesis H2 has been accepted.

Also, there is a significant positive influence of level of information ( = 0.515, t = 4.840, $p<0.05$) [Table VI] on

use of Internet banking, though, it has been observed so at significance level of $p<0.05$. Thus, the null hypothesis (H0); that the information search on the online bank, significantly influences the use of Internet banking, has been rejected and alternate hypothesis (H3) has been accepted.

Also, there is a significant positive influence of consumer decision-making capacity ( = 2.418, t = 4.840, $p<0.05$) [Table VI] on use of Internet banking, though, it has been observed so at significance level of $p<0.05$. Thus, the null hypothesis (H0) in Internet banking, that customers' decision-making capacity insignificantly influences the use of Internet banking, has been rejected and alternate hypothesis (H4) has been accepted.

Also, regression analysis results confirm that these five variables i.e. relative benefit, security concerns, level of information, and decision-making capability together explains significantly 47.3% ($r2 = 0.473$, $F = 12.442$, $p<0.01$) of the variance in customer's use of Internet banking. In our analysis, we observed the following regression equation of customer's use of Internet banking:

Internet Banking Usage = 37.109 + 0.033 Relative Benefit + 0.418 Level of Information + Decision making capability 0.342 Security Concerns {S.E.: 4.774}.

## Model for the Internet Banking Usage

Based on the above-discussed findings of the survey and the reviewed literature, a model of the factors influencing use of internet banking services is proposed as follows (Figure I). The most significant predictors of usage in this case turned out to be relative benefits, security and trust concern and level of information of the services. The proposed model is not intended to be fully comprehensive or universally applicable, but rather it should be viewed as one of the insights into use of internet banking services.

**Table VI : Intercorrelation Results of Internet Banking Usage and its Determinants**

n =192

|  | Relative Benefit | Security Concerns | Level of Information | Decision making capability | Obser-vability | Internet Banking Usage |
|---|---|---|---|---|---|---|
| Relative Benefit | 1.000 |  |  |  |  |  |
| Security & trust Concerns | -0.377** | 1.000 |  |  |  |  |
| Level of Information | 0.413** | -0.247* | 1.000 |  |  |  |
| Decision making capability | 0.637** | -0.414** | 0.482* | 1.000 |  |  |
| Observability | 0.248** | 0.342** | 0.211 | 0.165 | 1.000 |  |
| Internet Banking Usage | 0.432* | -0.258** | 0.335* | 0.515* | 0.133 | 1.000 |

\* p < 0.05 (Two-tailed test), \*\* p < 0.01 (Two-tailed test)

**Table VII : Regression Results of Internet Banking Usage on Relative Benefit, Security Concerns, Level of Information, Decision-Making Capability, and Observability**

Dependendent Variables →
Independent Variables ↓                                                                                          n =192

|  | Relative Benefit | Security Concerns | Level of Information | Decision making capability | Obser-vability |
|---|---|---|---|---|---|
| Internet Banking Usage | 2.354** | -0.342** | 0.512** | 2.418** | 0.145* |

\*p < 0.05 (Two-tailed test), \*\* p < 0.01 (Two-tailed test)

Age is negatively correlated with the use of internet banking services. Contrary to the popular believe, our study points that there is no relationship with the income.
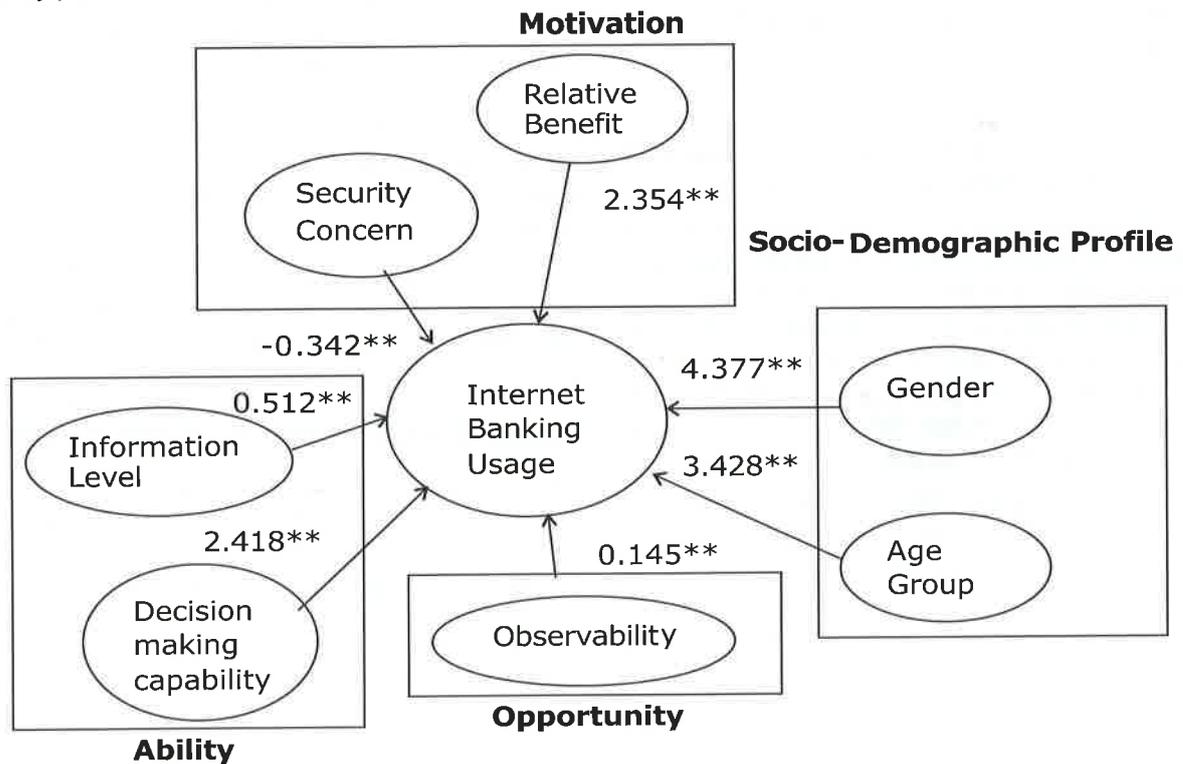


Figure I

## Managerial Implications

This study showed that relative benefit, security concern, decision-making capability, observability, gender and age group are the major factors affecting the usage of Internet bank services. The factors identified are in line with findings reported in previous studies mentioned earlier in the paper.

Banks must target younger customers for the internet banking services. Younger customers are generally less risk averse than elder customers. Also males are using more internet banking than females. However, income is not the indicator of internet usage. Interestingly it is a myth that higher income profile customers should be targeted. Most of the data on the explanatory variables, such as the demographic and social economic indicators can be readily found in the database of customers. Hence, financial institutions will be able to construct the profile of their own customers. Equipped with information on customers who already adopt internet banking or likely to do so, banks will be able to identify the market segments that should be targeted. They can then introduce banking products and services that better suit the needs and wants of the customers in the segment.

Technologically enabled electronic delivery channel do not constitute service offering and create value alone, but service contents (e.g. funds transfer or stock trades and quotes) have to function properly and ways of usage have to be known. Evidence also indicates that there are greater promotional efforts on the part of banks to create greater awareness of Internet banking and its benefits is important for the success of Internet banking services patronage. As observability is also linked with the usage of internet banking. Thus, the level of such promotional activities by banks at present is not surprising.

Technology has infused to the service encounters of financial institutions. Knowledgeable and demanding customers assume that banking service providers acting in technology driven environment will continue to keep up with the development; apply technological innovation further in service offerings and consequently ease up the everyday lives of the customers. As customers are using the internet banking due to its relative advantage over traditional banking.

Specifically, the concern about the security of doing online banking (for example, security of providing credit card information and other financial information) and lack of privacy on internet must be taken care of. To reassure customers that the information they provide will not be misused and their privacy will be respected. A number of banks now provide guarantees on their sites confirming their adherence to a code of conduct relating to the security of information. Also adhering to the policy of permission marketing, would reduce the perception of opportunistic behavior.

Bank should help in the decision-making capability of customer, say, by providing online financial advisor. Also customer should be provided easy accessibility to information. Reasons could be; most consumers will conduct information searches on the on-line channel before using it to buy financial products. Because of the associated risks, financial decision-making is highly involving. The risks are derived from consumer fear that using the on-line channel may result in unfavorable outcomes. The potential for economic loss, combined with the privacy and security concerns associated with this channel, make its use a high-involvement decision. The high-involvement nature of the context encourages consumers to get as much information as possible about the channel. Literature on traditional consumer behavior suggests that high involvement generates intense efforts by the consumer to attend to, and search out sources of information. The search process may involve activities such as; browsing Web sites for financial information, evaluating service alternatives, reviewing information about service providers, and exchanging information with others. In turn, information obtained gives them an opportunity to experience the channel and attain a certain level of comfort before they are ready to conduct transactions. Engaging in activities of this kind makes the consumer more comfortable with the medium and less inclined to see it as risky.

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