

Customers' Attitude towards Innovative Banking Services with Special Reference to Berhampur Town

Gouri Sankar Lall

Abstract

The beginning of empowerment of banking customers for their own transactions started with the evolution of ATMs as a delivery channel. The emergence of innovative banking services such as Self Service Banking Technologies (SSBT) i.e. ATMs/ Debit Card, Credit Card, Internet Banking (IB), Mobile Banking (MB) with the concept of "Anytime and Anywhere Banking" has intensified the need of innovative banking services. With the advent of internet, the application of innovative banking services has been proven as an effective way to reduce the costs of operation for the financial institutions. Innovative banking services do allow banks to reduce expenditures on physical structures. It is believed that the e-banking will help the banks to cut costs, increase revenue and become more convenient for customers to do banking transactions. In the study four banks were selected and 90 customers were selected from each bank purposively, those who were

using innovative banking services namely ATM/Debit Card, Credit Card, Internet Banking and Mobile Banking. The select banks are State Bank of India, Canara Bank of public sector and ICICI and AXIS of private sector banks. The interview schedule was categorised into six parts using TAM extension model framed by the researcher. So it is important to analyse the customers' attitude towards innovative banking services of public and private sector banks.

Keywords: Customers' attitude, Technology Acceptance Model (TAM), ATM/ Debit Card, Credit Card, Internet Banking, Mobile Banking, Innovative Banking Services.

Introduction

The beginning of empowerment of banking customers for their own transactions started with the evolution of ATMs as a delivery channel. The emergence of innovative banking services such as Self Service Banking Technologies (SSBT) i.e. ATMs/ Debit Card, Credit Card, Internet Banking (IB), Mobile Banking (MB) with the concept of "Anytime and Anywhere Banking" has intensified the need of innovative banking services (Geroge and Kumar (2013)). With the advent of internet, the application of innovative banking services has been proven as an effective way to reduce the costs of operation for the financial institutions. Innovative banking services do allow banks to reduce expenditures on physical structures. It is believed that the e-banking will help the banks to cut costs,

increase revenue and become more convenient for customers to do banking transactions (Baten and Kamil (2010). The internet is more than a physical platform for banking transactions; it is a medium for communicating and interacting with customers more effectively and efficiently (Golden, S. A. R. (2015).

It can be utilised as a niche instrument and a medium for highly customised contacts with existing and potential customers. It also helps to developed over time using information collected through transactions with customers Golden, S. A. R., & Regi, S. B. (2015). This leads to customisation/ personalisation to maintain good relationship with the customers by immediately responding them through online without delay which gives good enough to maintain electronic customer relationship management (e-CRM) in (banking industry Muhammed S. Alnsour and Khalil Al-Hyari (2011). The attractiveness towards internet into internet banking which enhanced by the ability to conduct banking transactions anytime and anywhere, faster and with lower charges compared to using traditional bank branches.

Review of Literature

Internet Banking is an innovation in the field of banking technology. The literature on innovation adoption showed that there are several theories that explain the factors influencing the adoption of new technologies. Important among them are; Theory of Reasoned Action (TRA), Innovation Diffusion Theory (IDT), echnology Acceptance Model (TAM), Theory of Planned Behaviour (TPB) and Decomposed Theory of Planned Behaviour (DTPB). The most widely used among researchers is TAM. Davis (1989) developed Technology Acceptance Model (TAM), according to which 'users' adoption of computer system depends on their behavioural intention to use, which in turn depends on attitude, consisting of two beliefs, namely perceived ease of use and perceived usefulness (Davis, F. (1989). TAM is an adaptation of TRA in the Information System (IS) field. TAM theorizes that a technology that is easy to use, and if found to be useful will have a positive influence on the intended user's attitude which in turn increases intention towards using the technology that generates the adoption behaviour. Perceived usefulness (PU) is defined as the degree to which 'a person believes that using the system will enhance his or her performance'. Perceived ease of use (PEOU), on the other hand, is defined as the degree to which 'a person believes that using the system will be free of mental effort'. TAM has been the instrument in many empirical studies and it has been found that its ability to explain intention and attitude towards using IT is better than TRA (Theory of Reasoned Action) and TPB (Theory of Planned Behaviour) (Mathieson, 1991). TAM is one of the most utilized models for studying IS (Information System) acceptance (Al-Gahtani, 2001). TAM is a powerful, highly reliable, valid and robust predictive model that may be used in a variety of contexts (King and He, 2006).

Suh and Han (2002) used TAM model and found that PEOU and PU were significant determinants of attitude which in turn had significant effect on intention and finally intention had significant effect on actual usage of IB in Korea. Bomil and Ingoo (2002) found that PEOU has significant effect on use of IB. Significant

effects of PEOU and PU on behavioural intention to use IB were observed by Wang et al., (2003) and Aldas-Manzasno et al., (2009). PU was found to be one of the main factors influencing Online Banking (OB) acceptance in Finland (Pikkarainen, Pikkarainen, Karjaluto, & Pahnla, 2004). PU was found to be the primary reason that Estonian bank customer use IB (Kent, Katri & Daniel, 2005). PU was found to have a significant impact on continued usage of IB in UAE (Awamleh & Fernades, 2006). PU is a major determinant of customer intention to use IB in Hongkong while PEOU is a secondary determinant (Edwin, David & Andy, 2006). Acceptance of IB in India was found to have been significantly influenced by PEOU and PU (Sudeep, 2008).

A review of literature revealed that studies that examined the perceptions of IB users about TAM constructs by classifying them into low, medium and high users are hardly found in the literature. It is quite natural that the extent of IB use varies among users. The perceptions of low users may be different from medium and high users. Hence, there is a need to investigate whether the perceptions of different categories of IB users are different from one another. This study thus aims to fill the gap in the literature and hence the study is quite relevant and timely from the point of view of both academic and banking industry.

Objectives of the Study

The following are the objectives of the present study:

- To study the socio-economic condition of the respondents in the study area.
- To measure the customers' attitude towards innovative banking services offered by public and private sector banks by using TAM Model in Berhampur town of Odisha.

Methodology

Four banks were selected for the study and 90 customers were selected from each bank purposively those who are using innovative banking services namely ATM/Debit Card, Credit Card, Internet Banking and Mobile Banking. Four banks were taken for the study. The select banks are State Bank of India, Canara Bank of public sector and ICICI and AXIS of private sector banks. The interview schedule was categorised into six parts using TAM extension model.

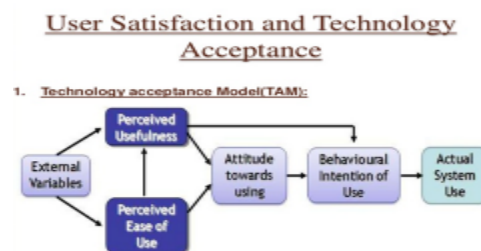


Figure 1 : Proposed Research Model using TAM

Source: <http://www.slideshare.net/yisokya/user-satisfaction-and-technology-acceptance-14294379>

Findings and Discussion

The attitude is measured to find out the positive and negative feelings and beliefs of the customers towards innovative banking services. The customers' attitude towards innovative banking services was tested using extended TAM model framed by the researcher using perceived usefulness, perceived ease of use, perceived web security, intention to use, behavioural intention and predilection

The following tables describe the customers' attitude towards innovative banking services.

Measuring Customers' Attitude Using Perceived Ease of Use

The perceived ease of use is analysed to measure the attitude of the customers using innovative banking services to identify an individual believes that a particular system would be based on physical and mental effort. The following table examines the attitude of customers using innovative banking services based on their perceived ease of use.

Table 1: Mean Rank on Measuring Customers' Attitude Using Perceived Ease of Use

Perceived Ease of Use	Sector of Bank		Total
	Public	Private	
<i>Using the Innovative Banking services are easy for me</i>	3.68	3.81	3.74
<i>Learning to operate the innovative banking services are easy for me (Self-Learning)</i>	3.42	3.19	3.31
<i>Interacting with technology for using innovative banking services are often frustrating (Disappointment)</i>	2.48	3.92	3.20
<i>I find it easy to get the innovative banking services to do what I want it to do</i>	3.34	3.79	3.57
<i>It is easy to remember how to perform tasks and takes a lot of effort to become skilful for using innovative banking services</i>	3.70	4.06	3.88
<i>Interacting with the technological devices need a lot of mental effort</i>	2.88	3.11	2.99
<i>My interaction with the technological devices are clear and understandable</i>	2.94	3.73	3.34
<i>I would find it easy to get information about latest banking services</i>	3.12	4.49	3.81
<i>It is very easy to get my account statement</i>	2.62	3.64	3.13
<i>I seek advice from my family members friends/bank employees/ colleagues before I use innovative banking services</i>	2.28	3.44	2.86
<i>Overall, I find the Innovative Banking services are easy to use</i>	3.22	2.86	3.04

Source: Primary Data

Based on the mean score, the public sector customers felt that is easy to remember the tasks to be performed and need little more effort to become skilful to use innovative banking services and customers are favourable that using selected innovative banking services is easy whereas the private sector customers felt the innovative banking services help to get information about banking services easily and it is easy to access innovative banking services.

Inference: It is inferred that, both public and private sector customers are felt that using innovative banking services helps to reduce their physical and mental effort to avail banking services easily.

Measuring Customers' Attitude Using Perceived Usefulness

The perceived usefulness is used to analyse the individual believes in enhancing themselves in the usage of innovative banking services. The following table examines the attitude of customers using innovative banking services based on their perceived usefulness:

Table 2: Mean Rank on Measuring Customers' Attitude Using Perceived Usefulness

Perceived Usefulness	Sector of Bank		Total
	Public	Private	
<i>Innovative Banking Services enable me to accomplish my tasks more quickly</i>	3.43	4.08	3.76
<i>It gives me greater control over my transaction</i>	3.46	4.01	3.73
<i>It supports critical aspects of my dealing with banking services</i>	3.56	4.42	3.99
<i>It improves my banking activities</i>	3.73	4.34	4.04
<i>It allows me to accomplish more transaction through technological based innovative banking services than using currency notes</i>	3.89	4.03	3.96
<i>It would be difficult to perform banking activities without IBS</i>	3.66	4.30	3.98
<i>feel technology helps me fulfil my timely need of banking services</i>	3.39	4.14	3.77
<i>Overall, I would find using the Innovative Banking to be advantageous</i>	3.90	3.71	3.80

Source: Primary Data

Based on the mean score, the public sector customers felt that overall using innovative banking services are advantageous, innovative banking services accomplish more transactions through technological banking rather than currency notes and it helps to improve the banking activities of the customers whereas the private sector customers felt that using innovative banking services supports in dealing with banking services at critical aspects without rushing to banks during working hours, it helps to improve the banking activities of the customers

and the customers are felt positive that it is difficult to perform banking activities without innovative banking services.

Inference: It is inferred that, both public and private sector customers enhance themselves easily in adopting and using innovative banking services.

Measuring Customers' Attitude Using Perceived Web Security

The perceived web security is used to analyse the security measures followed by the customers to use safe and secure IBS for banking transactions. The following table examines the attitude of customers using innovative banking services based on the web security:

Table 3: Mean Rank on Measuring Customers' Attitude Using Perceived Web Security

Perceived Web Security	Sector of Bank		Total
	Public	Private	
<i>I use IBS using the website address received through e-mails</i>	2.93	3.88	3.41
<i>I access internet banking by copy-pasting the website address of bank from other websites</i>	3.35	3.97	3.66
<i>I don't open e-mails whose origin is unknown</i>	3.12	2.44	2.78
<i>I change my password frequently</i>	2.71	2.74	2.73
<i>I don't disclose my password to anyone</i>	3.47	4.07	3.77
<i>I use same password/PIN for all the banks where I'm accessing IBS</i>	2.39	3.54	2.96
<i>I write my user ID and Password/PIN in a diary, card cover, draft in mobile/ e-mail etc.</i>	2.37	4.03	3.20
<i>I don't reply to emails that ask for my user ID and password</i>	3.27	3.27	3.27
<i>I access IBS from networked computers (cyber cafe)</i>	2.14	3.23	2.68
<i>I log off/log out the services immediately after use</i>	4.46	3.73	4.10
<i>I read the tips for safe use of IBS on the bank website clearly and frequently</i>	3.57	3.76	3.66
<i>I verify the last date and time log off given in the IBS</i>	3.39	3.55	3.47
<i>Fear about hackers</i>	3.00	3.88	3.44
<i>Authentication and session management increases secure and safety</i>	3.44	3.27	3.36
<i>I verify all my IBS transactions periodically</i>	4.26	3.18	3.72
<i>I feel it's fully secured to make transaction</i>	4.43	3.71	4.07
<i>Overall, the Innovative Banking is a safe place to transmit sensitive information</i>	3.93	3.66	3.79

Source: Primary Data

Based on the mean score, the public sector customers are log off/log out the services immediately after using innovative banking services, periodically verifying their innovative banking services transactions and felt fully secured to make transactions using innovative banking services whereas in the case of private sector, customers are not disclosing their password to anyone and change their password/PIN number frequently but they have the practice of writing user id, password/PIN in the diary. It is observed that, due to frequent change of password leads to confusion in using password/PIN or intends to forget the password/PIN. So the customers are having the practice of note down the password/PIN in note books.

Inference: It is inferred that, both public and private sector customers using innovative banking services are conscious about the security issues while availing innovative banking services like ATM/Debit Card, Credit Card, Internet Banking and Mobile Banking but still need to improve themselves in many aspects to protect their account from hackers.

Measuring Customers' Attitude Using Intention to Use

The intention to use is applied to measure customers' intention in using innovative banking services. The following table examines the attitude of customers using innovative banking services based on their intention to use:

Table 4: Mean Rank on Measuring Customers' Attitude Using Intention to Use

Intention to Use	Sector of Bank		Total
	Public	Private	
<i>I can do myself using the technology based Innovative Banking Services for handling my banking transactions</i>	4.16	3.58	3.87
<i>It is very less time consuming</i>	4.22	3.06	3.64
<i>I can use it successfully every time</i>	3.57	4.01	3.79
<i>It gives flexible time to use the banking services</i>	3.18	3.63	3.40
<i>I intend to continue using the innovative banking services</i>	3.94	3.31	3.63
<i>I intend to use innovative banking services because it is user-friendly</i>	4.19	3.66	3.93
<i>It is more prestigious than queuing in bank premises for long hours</i>	4.53	3.19	3.86
<i>Overall, the Innovative Banking is a safe to use</i>	4.24	3.49	3.87

Source: Primary Data

Based on the mean score, both public and private sector customers are having similar intention towards using innovative banking services that is customers are intend to use innovative banking services because it increases the prestigious than queuing in bank premises for long hours, using innovative banking services is less time consuming and can access at flexible time in doing banking transaction.

Inference: It is inferred that, both public and private sector customers using innovative banking services are more time conscious. It is observed that, the branch banking working hours are not suitable to the customers because majority of the customers are working. So, this increase the intention of the customers to use innovative banks services.

Measuring Customers' Attitude Using Behavioural Intention

The behavioural intention is used to analyse perform or not perform the specified future behaviour. The following table examines the attitude of customers using innovative banking services based on their behavioural intention:

Table 5: Mean Rank on Measuring Customers' Attitude Using Behavioural Intention

Behavioural Intention	Sector of Bank		Total
	Public	Private	
<i>I am very loyal to my bank</i>	4.39	4.23	4.31
<i>My present bank would be my first choice if I need banking services</i>	4.21	3.63	3.92
<i>The relationship with bank is important to me</i>	4.26	4.41	4.33
<i>I would encourage my friends and relatives to do transactions using technology based innovative banking services</i>	4.36	3.88	4.12
<i>I will recommend my bank best bank in the area</i>	4.12	3.86	3.99
<i>Technology development in banks lead to unhealthy relationship with the banker</i>	2.35	4.47	3.41
<i>Digitalisation of banking services is needed</i>	3.94	3.64	3.79
<i>Overall, I recommend the innovative banking services</i>	4.02	2.22	3.12

Source: Primary Data

Based on the mean score, the public sector customers are encouraging their friends and relatives to do transactions using technology based innovative banking services; digitalisation of banking services is needed and loyal to their bank whereas the private sector customers felt digitalisation of banking services is needed, encouraging their friends and relatives to do transactions using technology based innovative banking services and the relationship with bank is too important to the customers.

Inference: It is inferred that, both public and private sector customers opined that digitalisation of banking services is needed. It shows that both public and private sector customers are having positive behavioural intention towards innovative banking services.

Measuring Customers' Attitude Using Predilection

The predilection is used to analyse the individual's positive or negative feeling about performing the target behaviour towards innovative banking services. The following table examines the attitude of customers using innovative banking services based on predilection:

Table 6: Mean Rank on Measuring Customers' Attitude Using Predilection

Predilection	Sector of Bank		Total
	Public	Private	
<i>Using Innovative Banking Services is a good idea</i>	4.35	4.39	4.37
<i>I would feel that using Innovative Banking Services is pleasant</i>	4.02	4.18	4.10
<i>In my opinion, it would be desirable to use Innovative Banking Services</i>	4.24	4.32	4.28
<i>I feel unrisky to use the Innovative Banking Services</i>	4.05	4.19	4.12
<i>I carefully follow steps to use the services</i>	4.13	3.98	4.06
<i>I prefer to use innovative banking services</i>	4.23	3.91	4.07
<i>I'm intend to use both traditional and innovative banking services</i>	2.41	2.82	2.61
<i>I feel tension free attitude in using innovative banking services</i>	4.08	2.58	3.33
<i>I can able to deal with paperless transaction including paper currency in future</i>	3.89	2.89	3.39
<i>I felt happy that I'm avoid using papers for my transactions</i>	4.06	3.54	3.80
<i>I need banking services not banks</i>	3.97	3.73	3.85
<i>In my view, using Innovative Banking Services are safe and secure</i>	3.54	3.77	3.66

Source: Primary Data

Based on the mean score, both public and private sector customers prefer to use innovative banking services, felt using innovative banking services are safe and secure and carefully follow steps to use the services and perform the tasks to complete their transactions.

Inference: It is inferred that, customers of both public and private sector banks are feeling positive to avail innovative banking services.

Conclusion

Banking sector plays a vital role in the growth of economic development in India. Banking is still under evolutionary stage as it is adopting new technologies to facilitate further the customer convenience in the secured environment. IBS is becoming popular amongst customers who are familiar with the technology up graduation but it is gradually spreading to mass especially at metropolitan and urban cities. Few banks have taken an early lead by introducing technology based banking services. The study on the customers' attitude towards innovative banking services (IBS) in banking sector reveals that customers are satisfied in some aspects and they want to continue with their respective banks. The shift from customerised service to personalized services is highly essential to satisfy all groups of customers. The findings of the study stress upon the importance of the security and safety expected by the customers especially in the case of innovative banking services (IBS) like ATM/Debit Card, Credit Card, Internet Banking, Mobile Banking etc.,. The future of internet banking lies in offering personalized internet based services that are not only valued by their customers but are also unique to them. This would help distinguish themselves in the crowd. This would also help them evolve continuously to meet customers' needs, capitalizing on new technology to build stronger customer relationship.

References

- Aldas-Manzasno, J., Navarre-Lassala, C., Mafe-Ruiz, C. and Blas-Sanz, S.. (2009). Key drivers of internet banking services use. *Online Information Review*, 33 (4), 672-695. doi:10.1108/14684520910985675.
- Al-Gahtani, S.. (2001). The applicability of TAM outside North America: an empirical test in the United Kingdom. *Information Resource Management Journal*, 14 (3), 37-46.
- Alnsour, S.M. and Hyari, A.K.. (2011). Internet Banking and Jordanian Corporate Customers: Issues of Security and Trust. *Journal of Internet Banking and Commerce*, 16 (1). Retrieved from journal URL <http://www.arraydev.com/commerce/JIBC/2011-04/Alnsour.pdf>.
- Awamleh, R. and Fernandes, C.. (2006). Diffusion of Internet Banking amongst educated consumers in a high income non-OECD country. *Journal of internet Banking and Commerce*, 11 (3). Retrieved from journal URL <http://www.arraydev.com/commerce/JIBC/2006-12/Awamleh.html>
- Baten and Kamil. (2010). E-Banking of Economical Prospects in Bangladesh. *Journal of Internet Banking and Commerce*, 15 (2). Retrieved from journal URL <http://www.arraydev.com/commerce/JIBC/2010-08/Baten.pdf>.
- Bomil, S. & Ingoo, H.. (2002). Effect of trust on customer acceptance of Internet Banking. *Electronic Commerce Research and Applications*, 1, 247-263.
- Davis, F.. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13 (3), 319-340.

- Edwin, C.T.C., David, Y.C, and Andy, Y.C.L.. (2006). Adoption of internet banking: An empirical study in Hong Kong. *Decision Support Systems*, 42, 1558-1572. doi: doi.org/10.1016/j.dss.2006.01.002.
- Geroge, A. and Kumar, G.. (2013). TAM Constructs and Extent of Use of Internet Banking: An Empirical Analysis. *Commerce Spectrum Double Blind Peer Reviewed Half Yearly Journal*, 1(1), 18-25. Retrieved from journal URL <http://www.stpeterscollege.ac.in/publication/Commerce-spectrum-June%202013.pdf>
- Golden, S. A. R.. (2015). Regional Imbalance affecting quality of E-banking services with Special Reference to Tuticorin District-An Analysis. *International Journal of Research*, 2(3), 788-798.
- Golden, S. A. R. and Regi, S. B.. (2015). Satisfaction of Customers towards User Friendly Technological Services offered by Public and Private Sector banks at Palayamkottai, Tirunelveli District. *International Journal of Research*, 2(3), 775-787.
- Kent, E., Katri, K. and Daniel, N.. (2005). Customer acceptance of internet banking in Estonia. *International Journal of Bank Marketing*, 23 (2), 200-216. doi:10.1108/02652320510584412
- King, W. R. and He, J.. (2006). A meta analysis of the technology acceptance model. *Information & Management*, 43 (6), 740-755.
- Mathieson, K.. (1991). Predicting user intentions: comparing the Technology Acceptance Model with the Theory of Planned behavior. *Information Systems Research*, 2(3), 173-191.
- Pikkarainen, T., Pikkarainen, K., Karjaluto, H. and Pahnla, S.. (2004). Consumer acceptance of online banking: an extension of the Technology Acceptance Model. *Internet Research: Electronic Networking Applications and Policy*, 14 (3), 224-235. doi:10.1108/10662240410542652.
- Sudeep, S.. (2008). Internet Banking and Customer Acceptance: The Indian scenario. *Doctoral dissertation*. Retrieved from journal URL from <http://dyuthi.cusat.ac.in/xmlui/bitstream/handle/purl/2011/DyuthiT0419.pdf?sequence=6>
- Suh, B. & Han, I.. (2002). Effect of trust on customer acceptance of internet banking. *Electronic Commerce Research and Applications*, 1 (3-4), 247-263.
- Wang, Y.S., Wang, Y.M., Lin, H.H., & Tang, I.. (2003). Determinants of user acceptance of Internet Banking: an empirical study. *International Journal of Service Industry Management*, 14 (5), 501-519. doi: 10.1108/09564230310500192.