

A STUDY ON FACTORS INFLUENCING CONTINUOUS USAGE OF ONLINE BANKING SERVICES IN INDIA

ABSTRACT

Online banking an innovation to traditional branch banking system, is now used as a channel for delivering financial services by virtually all banks in India. Online banking provides improved convenience and customer service however it is observed that Indian banking customers are reluctant to adopt online banking services. Adoption is an important step for acceptance of any technology but long term viability of the technology depends on continuous use rather than first time use. Further in online environment attracting the new customers may not be easy than retaining the existing online banking customers. Though user's acceptance and use of e-services can lead to productivity gains and positive economic returns the return on investment of e-service providers is typically expected to accrue from the post adoption stage of e-services (Kim and Malhotra 2005 and Venkatesh et al 2003). Therefore this study examines the factors influencing the intention of continuous usage behaviour of online banking customers in India. Online banking customer's demographics, banking behaviour, service awareness and satisfaction are also assessed

The research framework of this study is based on Decomposed Theory of Planned Behaviour. Additional variables such as customers perceived risk and electronic service quality attributes were incorporated to build a comprehensive conceptual

framework that will be suitable to assess continuous usage behaviour in the Indian context.

The samples were selected from top five cities in terms of online banking usage by means of Snow ball sampling method. A structured questionnaire constructed from various researches was used to collect data from the respondents. 445 usable responses were collected and analysed using Structural Equation Modelling as the major statistical technique.

Results shows that Indian online banking customer's continuous usage behaviour depends on their perceived attitude towards difficulties and advantages associated with online banking channel. Further customers ability to try the technology, suitability to their customer's lifestyle, professional and banking needs determine their continuance. Though the channel has lot of advantages customers are negatively persuaded by their perception towards security and privacy of their financial transactions.

More over Indian customers are not influenced by the opinion of family, peers and friends with regard to continuous usage of online banking technology. The customer's ability and resources to perform online banking transactions significantly determine their continuous usage. In online banking environment website efficiency and security, technical reliability and banker's ability to resolve customer's problems are the

key factors which establish the customer's continuance. Apart from this customers continuous usage behaviour varies based on their age, occupation, internet experience and frequency of banking. Further, the advanced online banking services are not preferred by the customers. The findings of the study will be useful for Indian banking industry to formulate appropriate marketing strategies and design effective online financial services systems.

